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FINANCIAL STATISTICS

of the

MAJOR PRIVATELY OWNED UTILITIES
WITHIN NEW YORK STATE

ELECTRIC • GAS • TELEPHONE • WATER

1985

NEW YORK STATE DEPARTMENT OF PUBLIC SERVICE

THE UTILITY INDUSTRY IN THE STATE OF NEW YORK*

(BILLIONS OF DOLLARS)

BALANCE SHEET

	1985	1984	1983	1982	1981
ASSETS					
ELECTRIC PLANT	$ 30.01	$ 27.57	$ 25.02	$ 22.52	$ 20.26
GAS PLANT	3.84	3.61	3.42	3.24	3.06
TELEPHONE PLANT	17.52	16.51	16.39	15.69	14.76
WATER PLANT	0.31	0.29	0.27	0.26	0.25
STEAM PLANT	0.25	0.26	0.25	0.25	0.24
COMMON PLANT	0.93	0.88	0.77	0.70	0.53
TOTAL UTILITY PLANT	52.85	49.11	46.12	42.66	39.20
ACCUMULATED DEPRECIATION	11.94	10.93	10.06	9.25	8.51
NET UTILITY PLANT INVESTMENT	40.90	38.18	36.06	33.40	30.69
CASH	0.14	0.14	0.11	0.10	0.09
OTHER ASSETS	8.21	7.43	6.46	5.74	5.06
TOTAL ASSETS	$ 49.25	$ 45.76	$ 42.62	$ 39.25	$ 35.83
OWNER'S EQUITIES AND LIABILITIES					
BONDS	$ 13.56	$ 13.21	$ 12.54	$ 12.16	$ 11.75
OTHER LONG-TERM DEBT	3.29	2.59	2.44	1.33	1.02
PREFERRED STOCK	2.72	2.73	2.75	2.43	2.39
COMMON EQUITY	18.69	17.46	16.32	15.16	13.73
TOTAL CAPITALIZATION	38.26	35.98	34.06	31.08	28.89
CURRENT AND OTHER LIABILITIES	10.99	9.77	8.57	8.17	6.94
TOTAL OWNER'S EQUITIES AND LIABILITIES	$ 49.25	$ 45.76	$ 42.62	$ 39.25	$ 35.83

INCOME STATEMENT

	1985	1984	1983	1982	1981
UTILITY REVENUES					
ELECTRIC REVENUES	$ 10.48	$ 10.56	$ 9.85	$ 9.05	$ 8.82
GAS REVENUES	4.54	4.76	4.65	4.22	3.59
TELEPHONE REVENUES	9.05	8.65	7.51	7.13	6.34
WATER REVENUES	0.13	0.12	0.11	0.10	0.09
STEAM REVENUES	0.32	0.37	0.36	0.39	0.37
TOTAL REVENUES	24.52	24.46	22.49	20.89	19.21
OPERATING EXPENSES					
OPERATION AND MAINTENANCE EXPENSES	14.69	15.12	13.82	13.14	12.20
DEPRECIATION	1.75	1.57	1.53	1.43	1.33
INCOME TAXES	1.74	1.53	1.28	1.06	0.84
OTHER TAXES	3.03	3.10	2.90	2.54	2.32
TOTAL OPERATING EXPENSES	21.21	21.32	19.52	18.17	16.69
UTILITY OPERATING INCOME	3.31	3.14	2.97	2.73	2.52
NONUTILITY INCOME	1.10	0.99	0.77	0.63	0.48
TOTAL INCOME BEFORE INTEREST CHARGES	4.41	4.13	3.74	3.36	3.00
INTEREST CHARGES	1.57	1.47	1.36	1.24	1.10
NET EARNINGS BEFORE EXTRAORDINARY ITEMS	2.84	2.66	2.38	2.12	1.90
EXTRAORDINARY ITEMS	-	0.01	0.02-	-	-
NET EARNINGS	$ 2.84	$ 2.67	$ 2.35	$ 2.12	$ 1.90
DIVIDENDS PAID TO STOCKHOLDERS	1.77	1.63	1.75	1.56	1.35
EARNINGS REINVESTED IN THE BUSINESS	$ 1.08	$ 1.04	$ 0.61	$ 0.56	$ 0.55

*THE MAJOR PRIVATELY OWNED ELECTRIC, GAS, STEAM, TELEPHONE AND WATER COMPANIES.

THE UTILITY INDUSTRY IN THE STATE OF NEW YORK*
STATEMENT OF CHANGES IN FINANCIAL POSITION

(DOLLARS IN THOUSANDS)

		1985 AMOUNT	%		1984 AMOUNT	%
FUNDS PROVIDED						
INTERNAL SOURCES						
INCOME BEFORE EXTRAORDINARY ITEMS	$	2,842,447	47.1	$	2,673,376	50.7
NON-CASH CHARGES (CREDIT) TO INCOME						
DEPRECIATION, DEPLETION, AND AMORTIZATION		1,831,912	30.3		1,619,732	30.7
DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		821,425	13.6		742,712	14.0
INTEREST CAPITALIZED		793,317-	13.1-		718,246-	13.6-
OTHER (NET)		58,644	0.9		58,897	1.1
TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS		4,761,111	78.9		4,376,470	83.0
EXTRAORDINARY ITEMS - NET OF INCOME TAXES		2,968	-		7,636	0.1
TOTAL FUNDS FROM INTERNAL SOURCES		4,764,079	78.9		4,384,106	83.1
LESS DIVIDENDS - PREFERRED		153,975	2.5		203,075	3.8
- COMMON		1,531,035	25.3		1,395,257	26.4
NET FUNDS FROM INTERNAL SOURCES	$	3,079,069	51.0	$	2,785,774	52.8
EXTERNAL SOURCES:						
LONG-TERM DEBT	$	1,933,888	32.0	$	1,285,656	24.3
PREFERRED STOCK		75,000	1.2		50,046	0.9
COMMON STOCK		360,884	5.9		442,340	8.3
NET INCREASE IN SHORT-TERM DEBT		133,082	2.2		21,641	0.4
OTHER (NET)		58,848-	0.8-		52,104	0.9
TOTAL FUNDS FROM EXTERNAL SOURCES	$	2,444,005	40.5	$	1,851,788	35.1
OTHER		508,809	8.4		633,301	12.0
TOTAL FUNDS PROVIDED	$	6,031,889	100.0	$	5,270,863	100.0
FUNDS APPLIED						
CONSTRUCTION EXPENDITURES						
GROSS ADDITIONS						
TELEPHONE PLANT	$	1,503,932	24.9	$	1,370,236	25.9
ELECTRIC PLANT (EXCLUDING NUCLEAR)		1,020,061	16.9		1,122,966	21.3
NUCLEAR PLANT		1,601,989	26.5		1,651,373	31.3
NUCLEAR FUEL		156,873	2.6		69,316	1.3
GAS PLANT		241,625	4.0		225,789	4.2
LIQUEFIED NATURAL GAS PLANT		8,738	0.1		4,245	-
STEAM PLANT		8,033	0.1		8,743	0.1
WATER PLANT		18,302	0.3		20,240	0.3
NON-UTILITY PLANT		257	-		271	-
OTHER		38,499	0.6		25,330	0.4
TOTAL GROSS ADDITIONS	$	4,598,310	76.2	$	4,498,509	85.3
LESS INTEREST CAPITALIZED		793,317	13.1		718,246	13.6
TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	$	3,804,993	63.0	$	3,780,263	71.7
RETIREMENT OF DEBT AND SECURITIES						
LONG-TERM DEBT	$	919,719	15.2	$	314,115	5.9
PREFERRED STOCK		52,249	0.8		60,019	1.1
REDEMPTION OF CAPITAL STOCK		288,804	4.7		406-	-
NET DECREASE IN SHORT-TERM DEBT		83,964	1.3		398,786	7.5
OTHER (NET)		30,933	0.5		3,498	-
TOTAL RETIREMENT OF DEBT SECURITIES	$	1,375,792	22.8	$	776,012	14.7
OTHER		851,105	14.1		714,588	13.5
TOTAL FUNDS APPLIED	$	6,031,889	100.0	$	5,270,863	100.0

*THE MAJOR PRIVATELY OWNED ELECTRIC, GAS, STEAM, TELEPHONE AND WATER COMPANIES

FINANCIAL STATISTICS
OF THE
MAJOR PRIVATELY OWNED UTILITIES
WITHIN NEW YORK STATE

ELECTRIC • GAS • TELEPHONE • WATER

1985

New York State Public Service Commission

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PREFACE

For the 16th consecutive year the Department of Public Service has compiled and published the "Financial Statistics of the Major Privately Owned Utilities Within New York State." As with all previous editions, the primary preparer of the report is the Accounting Systems Section of the Office of Accounting and Finance.

This publication contains many key financial and operating statistics for the 69 largest, privately owned electric, gas, telephone and water companies doing business at December 31, 1985. The data is accumulated by type of utility service and because of this arrangement companies which provide more than one type of utility service will appear in several locations of the report. The seven companies which provide gas and electric service (referred to as combination companies) will be listed in the electric section and again in the gas section. The gas section of this report also contains statistics for six companies which only distribute and transport gas. These companies are referred to as straight gas companies.

Consolidated Edison Company of New York Inc., and Rochester Gas & Electric Corp. provided steam service in addition to electric and gas service. Rochester was given permission by the Commission to cease its steam operations and abandon its steam system by year-end 1985. As a result, 1985 operating statistics for Rochester may not be comparable to prior years. Statistical data for steam operations is not treated separately in this report, except on selected schedules where steam plant and revenues are shown on a composite basis. Otherwise, steam operations are included in Other Utility Plant and Other Utility Income in the composite tables and in the individual statements of the two companies mentioned above.

The companies included in this publication are all Class A or Class B utilities. For electric or gas utilities, companies with annual operating revenues of $2,500,000 or more for each type of service are designated Class A, and those with revenues between $1,000,000 and $2,500,000 are Class B companies. Class A telephone companies have annual operating revenues of over $250,000 and Class B telephone companies are between $100,000 and $250,000. The classification guidelines for water companies are the same as for telephone companies.

The initial pages of this publication show operating data aggregated on an industry basis for the last five years, accompanied by a brief narrative summarizing significant changes occurring in the two most recent years. This industry overview is followed by composite balance sheets, income statements, changes in financial position statements, plant, revenue and bill data and tables showing distribution of the revenue dollar. Individual company operations are also shown in the same manner and by type of service.

All information in this book is based on data required to be filed by the companies in their annual reports to the Public Service Commission.

It should be noted that some figures may not add to the totals shown due to rounding.

THE PRIVATELY OWNED UTILITIES IN NEW YORK STATE
CLASS A AND CLASS B
HIGHLIGHTS

Plant Investment

A comparison of the year 1985 with 1981 shows that on a statewide basis investment in total utility plant and construction increased by 35.2%. On an industry basis, electric plant investment had the largest increase with a 48.2% change ($9.6 billion). This difference is primarily attributable to the investments made by various electric companies in two nuclear stations–Shoreham and Nine Mile Point 2. Plant investment to serve gas customers increased $780 million, almost 26%, while investment in water plant increased $60 million, or 25%. Telephone plant investment increased by the lowest rate for all the major utility industries; the increase was 19.6% over 1981 investment, a dollar increase of $2.8 billion. Telephone plant growth has been affected by the AT&T divestiture, as some plant investment included in 1981 balances was later transferred to unregulated subsidiaries of AT&T Inc. (e.g. Customer Premises Equipment). Additionally, the FCC's gradual deregulation of the telecommunications industry through accounting and regulatory reforms since 1981 has slowed the growth in plant investment: items once capitalized are now being expensed (e.g. station connections), and services once offered under regulation are now detariffed and subject to competition (e.g. enhanced service offerings).

Revenues

The 1985 composite figures show a growth of $5.3 billion in revenues over 1981 amounts. Revenue growth was experienced throughout all industry sectors, except steam which had a decline of $40 million, or 11%.

The telephone industry shows a 42.7% increase in sales during the 5 year period with revenues rising from $6.3 billion to $9.1 billion. However, structural changes in this industry make company and industry-wide comparisons of little value. For example, after divestiture, AT&T Communications of New York, Inc. (ATTCOM) was organized at the beginning of 1984 to provide (among other functions) certain services that previously were the responsibility of New York Telephone Company. Part of ATTCOM's revenues are paid to local telephone companies to "access" or connect with local exchange lines. These access charges are in turn classified as revenues by the local telephone companies. This duplication of revenues results in an inflated industry composite figure distorting revenue comparisons. More accurate measurements can be found in the statements for the individual telephone companies and in the summary of individual utility industry operations.

Some duplication of revenue also occurs in the electric industry. A sale of electricity by one utility to another utility, who in turn resells it to its own customers, is revenue to the former and expense to the latter. While the effect on industry composite income is zero, the industry's revenue figures are overstated. For various reasons, these duplications have not been eliminated from the composite revenues but we do not believe this inclusion will distort comparisons to any significant degree.

The table below summarizes the changes in plant investment and revenues for the years 1981 and 1985.

Revenue and Plant Investment

Type of Service	1985 Average Gross Plant	1985 Revenues	1981 Average Gross Plant	1981 Revenues
	($ Billions)		($ Billions)	
Electric	$29.62	$10.48	$19.99	$ 8.82
Gas	3.79	4.54	3.01	3.59
Telephone	17.01	9.05	14.22	6.34
Water	.30	.13	.24	.09
Steam	.26	.33	.25	.37
TOTAL	$50.98	$24.52	$37.70	$19.21

Source and Use of Funds

The New York State utility companies raised $6.03 billion of new capital in 1985. The monies were used mainly to fund construction projects and to reacquire high coupon debt or retire maturing debt. In 1981, $4.60 billion was raised in the capital markets. More funds were internally generated in 1985 than in 1981 as 51.0% of the companies' cash needs came from this source compared to 46.6% in 1981. Utilities also issued a greater proportion of long term debt compared to other securities in 1985 with a 32.1% share compared to 26.8% in 1981.

Funds were needed primarily to finance construction and debt retirement. Of these two, construction costs required a smaller proportion of the funds in 1985 than in 1981–63.1% vs. 71.8%, while debt retirement consumed 22.8% of available funds in 1985 compared to 19.5% in 1981.

This information is detailed in the next table.

Source and Application of Funds

	1985		1981	
	Dollars (Millions)	Percent	Dollars (Millions)	Percent
Funds Available				
Internally Generated (Net of Dividends)	$3,079	51.0	$2,145	46.6
Long-term Debt	1,934	32.1	1,232	26.8
Preferred and Common Stock	436	7.2	737	16.0
Short-term Debt & Miscellaneous	583	9.7	488	10.6
Total	$6,032	100.0%	$4,602	100.0%
Funds Applied				
Construction Expenditures	$3,805	63.1	$3,302	71.8
Retirement of Debt	1,376	22.8	899	19.5
Other	851	14.1	401	8.7
Total	$6,032	100.0%	$4,602	100.0%

Capitalization

The aggregate capitalization of the regulated electric, gas, telephone, water and steam industries in New York State increased $9.4 billion (32.5%) over the $28.9 billion at year end 1981. Securities were issued in about the same proportions as the historic ratios, and, consequently, there has been little change in the composite capital structure since 1981. The 1981 and 1985 capitalization of the composite utility industries and the components' respective percentage shares appear in the next table.

Capitalization

	1985		1981	
Components of Capitalization	$ Billions	Percent	$ Billions	Percent
Debt (excludes Short-Term Debt)	$16.82	44.0%	$12.75	44.2%
Preferred Stock	2.73	7.1	2.39	8.3
Common Equity	18.68	48.9	13.73	47.5
Total	$38.23	100.0%	$28.87	100.0%

Earnings available for Common, Dividends, and Payout Ratios

Earnings Available for Common

Earnings improved substantially for the regulated utilities in the period under review as earnings available for common grew from $1.73 billion in 1981 to $2.69 billion in 1985. This represents an increase in the earnings available for common equity of $.96 billion, 55.5% greater than 1981 earnings.

Common Dividends and Payout Ratios

As earnings grew during the period, so did the dividends that were declared on the common stock of most utilities. The major New York State utilities* declared $1.53 billion in common dividends in 1985. This amount is $.50 billion (49%) greater than the $1.03 billion paid in 1981.

Overall the rate of dividends declared out of earnings available for common shareholders did not change much when comparing 1985 with 1981. Excluding LILCO, which omitted its dividends in 1984 and 1985, the composite payout ratio was 70.6 in 1985 compared to 67.1 in 1981.

The next table summarizes the earnings available for the common shareholders of New York's major utility companies, the dividends declared and the payout ratios for the years 1985 and 1981.

EARNINGS AVAILABLE, DIVIDENDS AND PAYOUT RATIOS

1981 and 1985

	Earnings available		Common Dividends		Payout Ratio	
	1985	1981	1985	1981	1985	1981
	($ Thousands)		($ Thousands)			
Combination Companies**	$1,248,418	$ 790,546	$ 803,370	$ 444,086	64.4	56.2
Straight Gas Companies	75,198	51,118	51,928	33,200	69.1	64.9
Telephone Companies	829,234	681,299	669,002	545,011	80.7	80.0
Water Companies	14,273	6,601	6,736	3,514	47.2	53.2
Total**	$2,167,123	$1,529,564	$1,531,036	$1,025,811	70.6	67.1

It should be noted that calculations measuring rates of return on investment, returns on equity, etc., that are contained in this book may not correspond to those derived by the Public Service Commission in formal cases. Differences may occur because this publication relies exclusively on data as reported by the companies while the Commission may have more current information available, use forecasted figures or make adjustments to historic book amounts.

The information which follows is presented by type of utility service; comparisons made in these sections typically are based on the two most current years, 1984 and 1985.

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* The activities of LILCO are omitted from the figures shown for common dividends declared and payout ratios since inclusion of that company, which declared common dividends of $150.3 million in 1981 but none in 1985, would lead to inconsistent results and, therefore, invalid comparisons.

**Excludes Long Island Lighting Company.

THE ELECTRIC INDUSTRY
HIGHLIGHTS

Plant, Revenue and Customers

The electric industry in New York State is comprised mainly of seven privately owned companies. Consolidated Edison Company of New York, Inc. is by far the largest of the seven, accounting for over 40% of electric revenues, net electric plant in service and total number of electric customers. Niagara Mohawk Power Corporation is the next largest, with 20% of total revenues, 23% of net plant and 21% of all electric customers.

As a group, the seven electric companies in 1985 served an average of 6.55 million customers, recorded $10.5 billion in revenues from the sale of electricity and have invested $13.8 billion in electric plant. Electric revenues declined by $87 million (0.8%) primarily because of a decrease in sales for resale of $170.7 million (20.5%). This severe drop caused by: (a) increased importation of Canadian hydroelectric power; (b) lower sales to neighboring states' power pools because of their system upgradings; and (c) a general decline in oil prices which both reduced electricity prices and made resale sales less economic.

Composite sales of the seven companies to residential, and commercial and industrial customers were virtually the same in 1985 as in 1984.

The following table lists the seven electric companies and their relative customers, net plant and revenues for 1985. Later sections provide more detail and prior year comparisons on the selected operating results summarized below.

ELECTRIC COMPANIES IN NEW YORK STATE IN 1985

Name	Revenues	% of Total	Net Electric Plant in Service	% of Total	Customers	% of Total
Consolidated Edison Co. of New York, Inc.	$ 4,419,118,403	42.2	$ 5,710,331,016	41.3	2,806,336	42.9
Niagara Mohawk Power Corporation	2,078,134,522	19.8	3,182,942,373	23.0	1,398,413	21.4
Long Island Lighting Company	1,679,391,113	16.0	1,365,907,786	9.9	945,623	14.4
New York State Electric & Gas Corporation	1,051,578,366	10.0	2,303,772,091	16.6	699,654	10.7
Rochester Gas and Electric Corporation	473,553,467	4.5	656,597,442	4.7	304,785	4.7
Central Hudson Gas & Electric Corporation	436,652,041	4.2	302,281,911	2.2	226,573	3.5
Orange and Rockland Utilities, Inc.	338,114,859	3.3	317,566,100	2.3	163,959	2.4
	$10,476,542,771	100.0	$13,839,398,719	100.0	6,545,343	100.0

Revenues, Sales and Customer Costs

Revenues and Sales

Sales of electricity totaled $10.5 billion in 1985. As the following table shows, the primary categories of electric sales to ultimate customers increased, as did revenue from other sources; however, these increases were not sufficient to offset the lower revenues from resale sales.

	Electric Operating Revenues			
	1985		1984	
Source	$ Millions	%	$ Millions	%
Residential	$ 3,504.1	33.4	$ 3,483.4	32.9
Commercial and Industrial	5,675.5	54.1	5,664.2	53.6
Street and Highway Lighting	88.0	0.8	85.8	0.8
Other	545.1	5.2	495.8	4.6
For Resale	663.9	6.3	834.6	8.1
Total	$10,476.5	100.0%	$10,563.8	100.0%

Electric operating results from the sale of power to ultimate consumers (which excludes sales for resale) did not vary significantly from those experienced in 1984. Both revenues and kilowatt hour sales increased but by less than one percent in each case. Revenues rose by 0.4% ($38.1 million) and kilowatt hour sales increased by 0.8% (746 million kwhs.).

Overall, revenues from the sale of energy decreased by $132.6 million,* kwhs sold declined by 0.6 billion, and the cost per kwh sold dropped from 9.0 cents to 8.9 cents.

The above sales figures for 1985 and 1984 are detailed by type of customer in the following two tables:

Electric Revenues and Sales
Amounts

	1985			1984		
Type of Customer	Electric Revenues (Millions)	Kwh Sold (Millions)	Cost Per Kwh Sold (Cents)	Electric Revenues (Millions)	Kwh Sold (Millions)	Cost Per Kwh Sold (Cents)
Residential	$ 3,504.1	31,424.5	11.2	$ 3,483.4	31,524.3	11.0
Commercial & Industrial	5,675.5	61,562.4	9.2	5,664.2	60,790.0	9.3
Public Street & Highway Lighting	88.0	606.3	14.5	85.8	617.7	13.9
Other Sales of Electricity except Resale Sales	215.6	2,679.0	8.0	211.7	2,593.4	8.2
Total Sales to Ultimate Customers	9,483.2	96,272.2	9.9	9,445.1	95,525.4	9.9
Sales for Resale	663.9	17,120.1	3.9	834.6	18,502.8	4.5
Total Sales	$10,147.1	113,392.3	8.9	$10,279.7	114,028.2	9.0

*(This reduction was offset by an increase of $45.4 million in non-energy related revenues and together, the total decline amounts to $87.2 million.)

Electric Revenues and Sales
Percent Increase/Decrease from 1984

Type of Customer	Electric Revenue	Kwh Sold	Cost Per Kwh Sold
Residential	.59%	(.32)%	1.81%
Commercial and Industrial	.20	1.27	1.07
Public Street & Highway Lighting	2.56	1.85	4.31
Other Sales of Electricity except Resale Sales	1.84	3.30	(2.43)
Total Sales to Ultimate Customers	.40	.78	–
Sales for Resale	(20.45)	(7.47)	(13.33)
Total Sales	(1.29)	(.56)	(1.11)

Customer Costs

Historically, residential customers served by companies located in the New York City region (*i.e.*, Con Edison, Orange and Rockland, Long Island Lighting – the "downstate companies") pay more per unit of consumption than customers served by upstate companies. This continued in 1985, although the price disparity narrowed. In 1984, downstate customers paid, on average, 14.75 cents per kwh while upstate customers paid 7.66 cents per kwh for a difference of 7.09 cents. In 1985, the gap closed to 6.37 cents per kwh as the relative unit prices were 14.49 cents and 8.12 cents. Electricity prices declined by .26 cents, or 1.8% for downstate customers but increased by .46 cents (6.0%) for upstate companies. Individually, Con Edison experienced the largest price decrease with a drop of .68 cents per kwh (4.1%), while New York State Electric and Gas had the largest increase with .63 cents (7.8%).

The following table shows average unit cost per company for electricity sold to *residential* customers.

Average Cost of Electricity to Residential Customers

Company	Cents Per KWH Sold		Percent Increase (Decrease)
	1985	1984	
Consolidated Edison	15.82	16.50	(4.1)%
Orange and Rockland	12.95	13.30	(2.6)
Long Island Lighting	12.95	12.53	3.4
Central Hudson	11.69	11.39	2.6
Rochester Gas & Electric	8.40	8.04	4.5
New York State Electric & Gas	8.70	8.07	7.8
Niagara Mohawk	7.28	6.85	6.3

The following all-inclusive table details for each company the number of customers, amount of revenue and kilowatt hours sold, the average annual bill, usage and cost per kilowatt hour sold by type of customer.

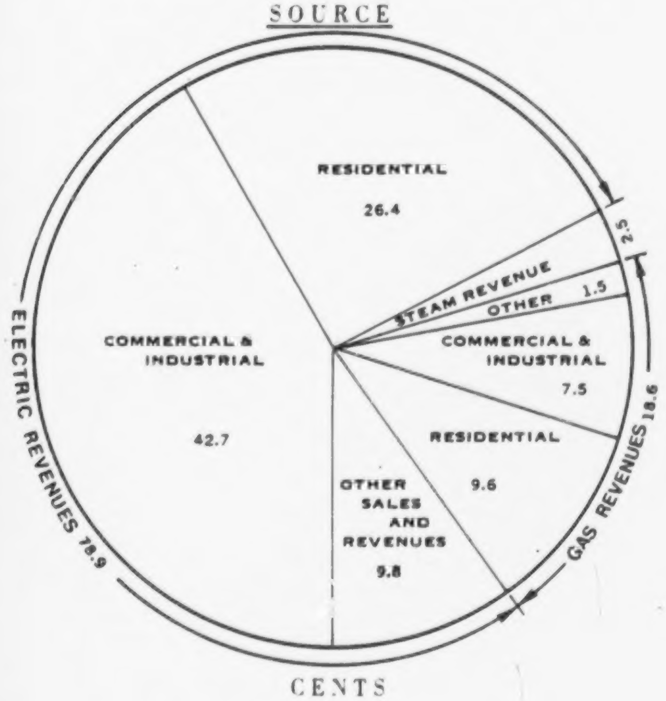
Combination Companies — Electric Service
Average Annual Bill Data
1985

	Average Number of Customers (Thousands)	Operating Revenues (Millions)	Kilowatt-Hours Sold (Millions)	Average Annual Bill Per Customer	Average Usage Per Customer (Thousand Kwh)	Average Revenue Per Kwh Sold (Cents)
			TOTAL			
Central Hudson	227	$ 437	5,001	$1,927	22.1	8.73
Consolidated Edison	2,806	4,419	32,174	1,575	11.5	13.74
Long Island Lighting	946	1,679	14,024	1,776	14.8	11.97
New York State E&G	700	1,052	16,426	1,503	23.5	6.40
Niagara Mohawk	1,398	2,078	34,534	1,486	24.7	6.02
Orange & Rockland	164	338	4,124	2,062	25.2	8.20
Rochester G&E	305	474	7,110	1,554	23.3	6.66
Composite	6,545	$10,476	113,392	$1,601	17.3	9.24
			RESIDENTIAL CUSTOMERS			
Central Hudson	198	$ 144	1,236	$ 731	6.3	11.69
Consolidated Edison	2,449	1,281	8,097	523	3.3	15.82
Long Island Lighting	851	773	5,970	909	7.0	12.95
New York State E&G	625	401	4,615	642	7.4	8.70
Niagara Mohawk	1,259	643	8,836	510	7.0	7.28
Orange & Rockland	145	107	823	736	5.7	12.95
Rochester G&E	275	155	1,847	564	6.7	8.40
Composite	5,801	$3,504	31,424	$ 604	5.4	11.15
			COMMERCIAL AND INDUSTRIAL			
Central Hudson	26	$ 206	2,357	$7,846	89.9	8.73
Consolidated Edison	356	2,760	21,015	7,748	59.0	13.13
Long Island Lighting	91	845	7,368	9,328	81.4	11.46
New York State E&G	65	362	5,489	5,586	84.8	6.59
Niagara Mohawk	136	1,139	20,573	8,402	151.6	5.54
Orange & Rockland	19	131	1,354	6,959	71.8	9.69
Rochester G&E	27	232	3,406	8,525	124.9	6.82
Composite	720	$5,676	61,562	$7,888	85.6	9.22
			PUBLIC STREET AND HIGHWAY LIGHTING			
	(Units)					
Central Hudson	191	$ 3	24	$16,596	128.9	12.87
Consolidated Edison	166	0.6	5	3,607	27.5	13.13
Long Island Lighting	4,225	19	178	4,420	42.2	10.48
New York State E&G	1,036	13	101	12,110	97.8	12.38
Niagara Mohawk	3,154	39	232	12,344	73.7	16.75
Orange & Rockland	400	4	19	8,878	47.2	18.80
Rochester G&E	237	11	46	44,560	195.4	22.80
Composite	9,409	$ 88	606	$ 9,356	64.4	14.52
			OTHER SALES TO PUBLIC AUTHORITIES			
Central Hudson	2,453	$ 26	277	$10,855	113.2	9.59
Consolidated Edison	999	43	395	43,555	395.6	11.01
Long Island Lighting	164	26	272	157,044	1,656.8	9.48
New York State E&G	9,100	79	1,179	8,701	129.6	6.72
Niagara Mohawk	4	0.07	4	16,587	959.8	1.73
Orange & Rockland	1	4	55	3,775,986	55,282.0	6.83
Rochester G&E	2,042	28	405	13,543	198.7	6.81
Composite	14,763	$206	2,589	$ 13,993	175.4	7.98
			RAILROADS AND RAILWAYS			
Consolidated Edison	4	$ 7	56			12.38
			INTERDEPARTMENTAL			
Central Hudson	1	$ 0.05	1			4.22
Long Island Lighting	1	0.40	8			4.97
New York State E&G	1	1.00	21			6.85
Orange & Rockland	1	0.10	3			4.88
			SALES FOR RESALE			
Central Hudson	5	$ 50	1,103			4.57
Consolidated Edison	4	106	2,606			4.06
Long Island Lighting	3	13	227			5.73
New York State E&G	10	171	5,021			3.41
Niagara Mohawk	149	189	4,888			3.87
Orange & Rockland	6	90	1,870			4.82
Rochester G&E	8	44	1,405			3.14

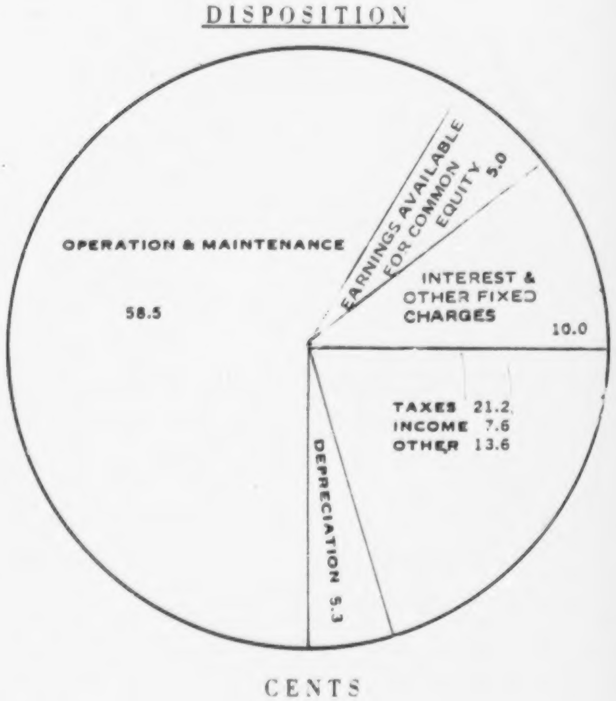
Combination Companies – Source and Use of Funds

The charts below show the major sources of revenues and the distribution of those revenues to pay expenses for the year 1985. Residential, commercial and industrial revenues are depicted individually for the electric and gas operations of the combination companies. Also shown separately in the Source chart are Other Sales and Revenues.

The Disposition chart depicts the use of revenues by type of operating cost, *i.e.*, operation and maintenance expenses, depreciation expense and taxes, for all seven companies.



SOURCE



DISPOSITION

The next table contains information similar to that shown in the chart but in a tabular form and compares 1985 to 1984's results.

Source and Disposition of the Combination Companies' Revenues

Source	1985 Cents	1984 Cents
Electric Revenue:		
Residential	26.4	25.7
Commercial & Industrial	42.7	41.8
Other	9.8	10.5
Gas Revenue:		
Residential	9.6	9.7
Commercial and Industrial	7.5	7.6
Other	1.5	1.9
Steam Revenue	2.5	2.8
Total	100.0	100.0
Disposition		
Operation and Maintenance	58.5	61.3
Depreciation	5.3	4.6
Taxes		
Income	7.6	7.2
Other	13.6	12.9
Interest & Other Fixed Charges—Net	10.0	9.1
Earnings Available for Common Equity	5.0	4.9
Total	100.0	100.0

There were no dramatic changes in the source of revenues in 1985. However, operation and maintenance expenses declined by 2.8 cents of the revenue dollar, while increases in depreciation (.7 cents), taxes (1.1 cents), and interest charges (.9 cents) offset the drop in operating costs. The reduction in operation & maintenance is primarily the result of lower fuel prices experienced in 1985. The combination companies' fuel expense dropped $291 million in 1985, a reduction of almost 12%.

Supply and Disposition of Electric Energy

In 1985, the electric industry of New York State supplied amost 124.0 billion kilowatt hours of electricity. While this amount is virtually the same as 1984 supply figures, the source of this energy, *i.e.* generation mix and purchases, was different. The electric industry generated 82.4 billion kwh in 1985 or almost 4.0 billion kwh more than in the prior year. This additional generation displaced a like amount of purchases.

The mix of generation was considerably different in 1985 as nuclear power comprised a greater share. In fact, nuclear generation provided over 12% of the State's power needs in 1985 with 15.2 billion kwh of energy. This represents an increase of 5.0 billion kwh, or 48%, over 1984 amounts. All three companies with nuclear generating stations improved their output in 1985, in particular, Con Edison increased its nuclear production from Indian Point Unit No. 2 by 3.2 billion kwh, or 50%.

The next table details the amount of energy supplied by each type of generation for the years 1984 and 1985, along with purchases and disposition of that energy.

SOURCE AND DISPOSITION OF ELECTRIC ENERGY – 1985 and 1984

SOURCE	Kilowatt Hours (Billions) 1985	Kilowatt Hours (Billions) 1984	Percent Increase (Decrease)
GENERATION:			
Steam	63.56	64.13	(0.9)
Nuclear	15.20	10.25	48.3
Hydro-Conventional	3.43	3.88	(11.6)
Other	0.24	0.43	(44.2)
TOTAL GENERATION	82.44	78.69	4.8
PURCHASES	41.53	45.34	(8.4)
TOTAL AVAILABLE ELECTRICITY	123.96	124.03	(0.1)
DISPOSITION			
Sales to Ultimate Consumers	96.27	95.53	0.8
Sales for Resale	17.12	18.50	(7.5)
Use by Companies and Unaccounted For	10.57	9.99	5.8
Other	–	–	
TOTAL ELECTRICITY CONSUMED	123.96	124.03	(0.1)

Gross Plant Investment

The electric industry increased its investment in gross utility plant (year end balance) by $2.4 billion in 1985. A large part of this increase relates to the construction of nuclear production facilities at Shoreham and Nine Mile Point 2. Compared to 1984 figures, electric plant investment in 1985 was almost 9% above the prior year's balance. Investment in gas plant increased at slightly more than that rate, 5.4%.

Steam plant investment was $8.8 million lower in 1985 than in 1984. This decline is primarily the result of the cessation of steam operations (with Commission approval) by Rochester Gas and Electric Corporation in December 1985.

The amount of utility investment by industry and the increase/decrease in dollars and percents over the 1984-85 period is detailed in the next table.

Gross Plant and Revenues

Gross Plant Investment
Years Ended December 31, 1984 and 1985

	1985		1984		Increase	
	$ Millions	%	$ Millions	%	$ Millions	%
Electric Plant	$30,009.8	89.6	$27,565.2	89.3	$2,444.6	8.9
Gas Plant	2,293.3	6.9	2,176.8	7.1	116.5	5.4
Steam Plant	249.4	0.7	258.2	0.8	(8.8)	(3.4)
Common Plant	930.6	2.8	878.4	2.8	52.2	5.9
Total	$33,483.1	100.0%	$30,878.6	100.0%	$2,604.5	8.4

Capitalization

The capitalization of the electric industry rose by $2.02 billion (8.2%) to $26.61 billion in 1985. Common equity increased by $993 million (9.0%) and long term debt was $1.03 billion greater (9.4%) than in 1984. The electric industry's investment in preferred stock dropped by $5.9 million (0.2%) in 1985.

The following table summarizes the capitalization of the electric industry by components for 1985.

Capitalization

	1985		1984	
	Millions	%	Millions	%
Long-Term Debt	$11,952.7	44.9	$10,925.1	44.4
Preferred Stock	2,601.5	9.8	2,607.4	10.6
Common Equity	12,055.3	45.3	11,062.0	45.0
Total	$26,609.5	100.0%	$24,594.5	100.0%

Earnings, Dividends and Payout Ratios

Earnings

The earnings available to the common stockholders of the seven combination companies amounted to $1.689 billion in 1985, an increase of almost $105 million or 6.6% over the $1.584 billion earned in 1984. (In determining earnings available for common, LILCO's total dividend requirement on its cumulative preferred stock was deducted from its income in both years even though those dividends were not declared in full.)

The following table details the earnings by company and the associated return on average common equity for the years 1985 and 1984.

Income Available for Common Stockholders
and Return on Common Equity

Company	1985 Income Available for Common (Thousands)	1985 Return on Common Equity (Percent)	1984 Income Available for Common (Thousands)	1984 Return on Common Equity (Percent)
Central Hudson	$ 53,488	16.1%	$ 44,679	15.7%
Consolidated Edison	525,378	13.2	581,322	15.1
Long Island Lighting	440,563	16.3	340,264	15.3
New York State Electric & Gas	183,207	14.3	184,006	15.7
Niagara Mohawk	351,871	14.9	308,274	14.9
Orange & Rockland	35,473	13.6	34,431	13.7
Rochester Gas & Electric	99,001	15.7	91,405	16.3
Total	$1,688,981	14.6	$1,584,381	15.2

On a per common share basis earnings of the combination companies rose nine cents in 1985, reaching $3.65 from the reported 1984 level of $3.56. Four of the companies experienced gains in their earnings per common share, with LILCO recording the largest increase. Central Hudson's and Niagara Mohawk's earnings rose 6.9% and 3.6% respectively. These three companies have major construction programs in progress and the Allowance for Funds Used During Construction contributed a significant portion of their earnings. Orange and Rockland was the other gainer, increasing its earnings per share by 1.8%.

The next table shows the earnings available for common stockholders on an average per share basis and the percent change over the 1984-1985 period.

Earnings Per Average Common Share and Percent Changes, 1985-1984

Company	Earnings Per Average Common Share		Percent Change
	1985	1984	Increase (Decrease)
Central Hudson	$4.63	$4.33	6.9%
Consolidated Edison	4.19	4.48	(6.5)
Long Island Lighting	3.98	3.18	25.2
New York State Electric & Gas	3.45	3.66	(5.7)
Niagara Mohawk	2.89	2.79	3.6
Orange and Rockland	2.81	2.76	1.8
Rochester Gas & Electric	3.65	3.65	–
Composite	3.65	3.56	2.5

Dividends and Payout Ratios

Five of the combination companies increased their dividends in 1985. Consolidated Edison's rate of increase was the largest, 11.8%, followed by Rochester at 9% and New York State Electric and Gas, Niagara Mohawk, Orange and Rockland and Central Hudson, all declaring dividends of 5% to 6% over those of 1984. LILCO omitted its common stock dividend in 1985 and 1984. Rochester's common dividend per share for 1984 reflects four quarterly dividends even though five were recorded in that year.

The next table shows earnings and dividends per share and the payout ratios for the seven companies; on a composite basis the companies paid out 47.7% and 44.9% of their earnings in 1985 and 1984. However, if LILCO was excluded (again because of the two year period in which no dividends were declared) the composite payout ratios increase to 64.2 in 1985 and 57.5 in 1984.

Income Available for Common Equity, Common Dividends Declared and Payout Ratio

1985 and 1984

	1985			1984		
Company	Earnings per Common Share	Common Dividends Declared per Share	Payout Ratio	Earnings per Common Share	Common Dividends Declared per Share	Payout Ratio
Central Hudson	$4.63	$2.94	63.5	$4.33	$2.80	64.7
Consolidated Edison	4.19	2.37	56.6	4.48	2.12	47.3
Long Island Lighting	3.98	–	–	3.18	–	–
New York State Electric & Gas	3.45	2.49	72.2	3.66	2.35	64.2
Niagara Mohawk	2.89	2.07	71.6	2.79	1.96	70.3
Orange and Rockland	2.81	2.09	74.4	2.76	1.98	71.7
Rochester Gas and Electric	3.65	2.28	62.5	3.65	2.09	57.3
Composite	3.65	1.74	47.7	3.56	1.60	44.9

Section I of this book provides more detailed information on each of the seven electric utilities.

THE GAS DISTRIBUTION INDUSTRY
HIGHLIGHTS

The major portion of the gas distribution industry in New York State is represented by 13 gas utilities, six of which are companies that distribute gas only, and the gas departments of the seven combination companies.

The straight gas companies accounted for 45% of the total 1985 revenues, provided service to 44% of all customers and had 41% of the total investment in net gas plant. The following table summarizes 1985's revenues, net gas plant investment and customers for each company.

GAS UTILITIES IN NEW YORK STATE – 1985

Company	Revenues ($ Thousands)	% of Total	Net Gas Plant ($ Thousands)	% of Total	Customers	% of Total
Straight Gas Companies						
Brooklyn Union Gas Company, The	$1,004,628	22.1%	$ 670,415	23.8%	1,078,936	25.5%
National Fuel Gas Distribution Corporation	873,526	19.3	445,895	15.8	689,946	16.3
Columbia Gas of New York, Inc.	80,449	1.8	27,320	1.0	64,618	1.5
Corning Natural Gas Corporation	44,578	1.0	5,516	0.2	11,914	0.3
St. Lawrence Gas Company, Inc.	36,863	0.8	7,789	0.3	10,631	0.3
Syracuse Suburban Gas Company, Inc.	21,012	0.4	4,967	0.2	4,068	0.1
Total	$2,061,056	45.4%	$1,161,902	41.3%	1,860,113	44.0%
Gas Department of Combination Companies						
Consolidated Edison Co. of New York, Inc.	$ 773,511	17.0%	$ 621,495	22.1%	1,020,274	24.1%
Niagara Mohawk Power Corporation	598,536	13.2	379,242	13.5	437,206	10.3
Long Island Lighting Company	438,420	9.7	271,234	9.6	404,349	9.5
Rochester Gas and Electric Corporation	269,562	5.9	163,973	5.8	238,371	5.6
New York State Electric & Gas Corporation	190,202	4.2	102,082	3.6	131,182	3.1
Orange and Rockland Utilities, Inc.	137,930	3.0	74,517	2.6	93,443	2.2
Central Hudson Gas & Electric Corporation	68,150	1.5	40,232	1.4	48,725	1.2
Total	$2,476,311	54.6%	$1,652,775	58.7%	2,373,550	56.0%
Grand Total	$4,537,367	100.0%	$2,814,677	100.0%	4,233,663	100.0%

Revenues and Sales

As a group, the gas companies reported less revenues and lower gas sales in 1985 than in 1984. Revenues decreased by $225.5 million (4.7%) and the volume of gas sales declined by 28.8 million Mcf (4.1%). Of the 13 gas companies, only Brooklyn Union, and Con Edison had an increase in revenues and volume sales. All other companies showed decreases in both gas revenues and volume sales. Corning Gas was the most severely affected company with declines of 17.4% in revenues and 19.3% in gas sales volume.

The overall decline in the volume of gas sold in 1985 is attributable to warmer weather conditions, price competition from oil and an overall drop in sales of gas by the combination companies to their electric departments. The latter use gas as boiler fuel to generate electricity when gas supply is available and the price of gas per btu is lower than oil. The current decline in oil prices has made gas boiler fuel an uneconomic choice. Revenues and sales statistics are detailed in the next table.

Gas Distribution Industry
1985 and 1984 Revenues and Sales

Company	Gas Revenues 1985	Gas Revenues 1984	Gas Revenues % Change	Gas Sales 1985	Gas Sales 1984	Gas Sales % Change
	($ Millions)			(Mcf Millions)		
Brooklyn Union	$1,004.6	$1,003.7	0.1%	113.7	110.1	3.3%
National Fuel	873.5	947.2	(7.8)	145.4	156.0	(6.8)
Columbia	80.4	90.4	(11.1)	13.3	14.5	(8.3)
Corning	44.6	54.0	(17.4)	9.6	11.9	(19.3)
St. Lawrence	36.9	38.0	(2.9)	7.9	8.0	(1.3)
Syracuse Suburban	21.0	22.1	(5.0)	4.5	4.5	–
Total	$2,061.1	$2,155.4	(4.4)	294.4	305.0	(3.5)
Con Edison	$ 773.5	$ 763.1	1.4	102.3	98.5	3.9
Niagara Mohawk	598.5	651.1	(8.1)	105.5	111.8	(5.6)
Long Island Lighting	438.4	483.8	(9.4)	67.3	76.2	(11.7)
Rochester G&E	269.6	291.6	(7.5)	44.1	46.5	(5.2)
New York State E&G	190.2	207.8	(8.5)	31.6	34.5	(8.4)
Orange & Rockland	137.9	141.7	(2.7)	22.9	23.8	(3.8)
Central Hudson	68.1	68.3	(0.3)	9.6	10.2	(5.9)
Total	$2,476.3	$2,607.4	(5.0)	383.3	401.5	(4.5)
Grand Total	$4,537.4	$4,762.8	(4.7)%	677.7	706.5	(4.1)

Customer Data

The cost of gas per mcf sold in total decreased in 1985 as compared to 1984, but residential customers saw a slight rise in their cost of gas. In addition to the overall gas price decline in 1985, revenues and consumption of gas decreased by 4.7% and 4.1%, respectively. The next table shows the cost per Mcf sold for the years 1984 and 1985 along with revenues and usage by type of customer.

Gas Revenues, Sales and Revenue per Mcf Sold

Type of Customer	1985 Revenues ($ Millions)	1985 Sales (Mcf Millions)	1985 Revenue per Mcf Sold (Dollars)	1984 Revenues ($ Millions)	1984 Sales (Mcf Millions)	1984 Revenue per Mcf Sold (Dollars)
Residential	$2,637.4	344.8	$7.64	$2,733.7	359.5	$7.60
Commercial & Industrial	1,589.6	278.5	5.71	1,675.6	285.9	5.86
Other	312.4	54.4	5.74	353.6	61.1	5.79
Total	$4,537.4	677.7	$6.70	$4,762.8	706.5	$6.74

The revenues, sales, customers, and bill data for each of the gas utilities are shown for the year 1985 on the next two tables—one table for the gas departments of the combination companies and one for the straight gas companies.

GAS INDUSTRY
COMBINATION COMPANIES – GAS SERVICE
AVERAGE ANNUAL BILL DATA
1985

Company	Average Number of Customers (Thousands)	Operating Revenues ($ Millions)	Mcf Sold (Thousands)	Average Annual Bill Per Customer	Average Usage per Customer (Mcf)	Average Revenue per Mcf
			TOTALS			
Central Hudson	49	$ 68	9,592	$ 1,399	197	$7.10
Consolidated Edison	1,020	774	102,312	758	100	7.56
Long Island Lighting	404	438	67,312	1,084	166	6.51
New York State E&G	131	190	31,568	1,450	241	6.03
Niagara Mohawk	437	599	105,467	1,369	241	5.68
Orange & Rockland	93	138	22,937	1,476	245	6.01
Rochester G&E	238	270	44,096	1,131	185	6.11
Composite	2,373	$2,476	383,284	1,043	161	6.46
			RESIDENTIAL CUSTOMERS			
Central Hudson	44	$ 29	3,539	$ 661	81	$8.19
Consolidated Edison	935	394	43,093	421	46	9.14
Long Island Lighting	371	226	28,930	609	78	7.81
New York State E&G	112	89	13,311	790	119	6.66
Niagara Mohawk	404	295	46,040	730	114	6.41
Orange & Rockland	86	76	11,999	891	140	6.38
Rochester G&E	221	162	25,095	732	114	6.44
Composite	2,173	$1,271	172,007	585	79	7.39
			COMMERCIAL AND INDUSTRIAL CUSTOMERS			
Central Hudson	4	$ 30	5,082	$ 6,764	1,133	$5.97
Consolidated Edison	84	322	53,509	3,833	636	6.03
Long Island Lighting	33	127	19,033	3,822	524	6.66
New York State E&G	18	81	14,804	4,543	834	5.45
Niagara Mohawk	33	281	54,687	8,498	1,653	5.14
Orange & Rockland	8	57	10,286	7,518	1,349	5.57
Rochester G&E	16	92	16,575	5,605	1,005	5.58
Composite	196	$ 990	173,976	5,051	888	5.69
			OTHER SALES TO PUBLIC AUTHORITIES			
Central Hudson	0.3	5	816	$12,611	2,267	$5.56
Consolidated Edison	1.0	36	5,709	26,717	4,201	6.36
New York State E&G	1.0	19	3,418	16,057	2,950	5.44
Rochester G&E	1.0	14	2,427	13,830	2,481	5.57
			INTERDEPARTMENTAL			
	(Units)					
Central Hudson	1	$ 1.00	155			$5.58
Long Island Lighting	1	83.00	19,350			4.28
New York State E&G	1	0.18	31			5.72
Orange & Rockland	1	0.07	16			4.43
			SALES FOR RESALE			
New York State E&G	1	0.02	4			5.65
Niagara Mohawk	2	19.00	4,740			3.94
Orange & Rockland	2	2.00	636			4.58

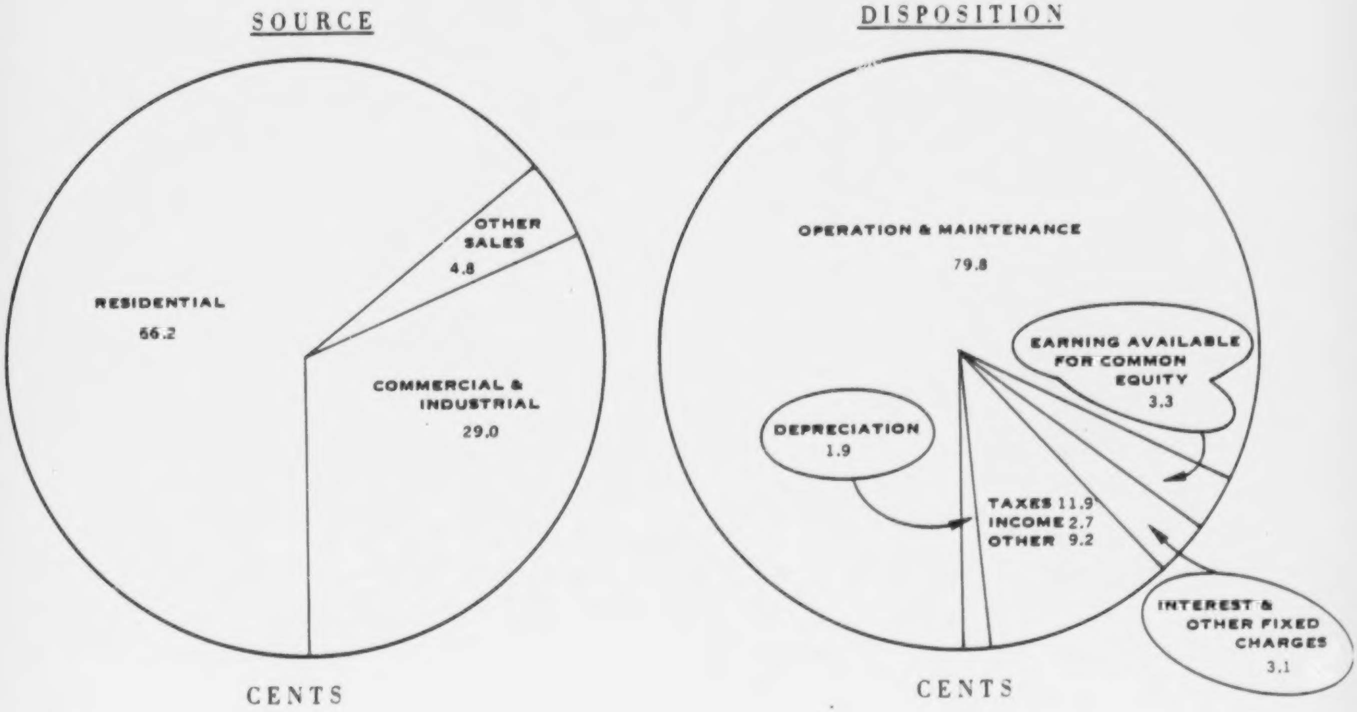
GAS INDUSTRY
STRAIGHT GAS COMPANIES
AVERAGE ANNUAL BILL DATA
1985

Company	Average Number of Customers (Thousands)	Operating Revenues ($ Millions)	Mcf Sold (Thousands)	Average Annual Bill Per Customer	Average Usage per Customer (Mcf)	Average Revenue per Mcf
			TOTAL			
Brooklyn Union	1,079	$1,005	113,649	$ 931	105	$8.84
Columbia Gas	65	80	13,327	1,245	206	6.04
Corning Gas	12	45	9,599	3,742	806	4.64
National Fuel Gas	690	874	145,401	1,266	211	6.01
St. Lawrence Gas	11	37	7,912	3,467	744	4.66
Syracuse Suburban	4	21	4,498	5,165	1,106	4.67
Composite	1,860	2,061	294,386	$ 1,108	158	7.00
			RESIDENTIAL CUSTOMERS			
Brooklyn Union	1,044	$ 779	79,351	$ 746	76	$9.81
Columbia Gas	59	44	6,947	747	119	6.30
Corning Gas	11	8	1,496	696	136	5.12
National Fuel Gas	649	525	83,211	809	128	6.31
St. Lawrence Gas	10	7	1,375	781	144	5.43
Syracuse Suburban	3	2	396	725	127	5.73
Composite	1,776	$1,365	172,776	$ 769	97	7.90
			COMMERCIAL AND INDUSTRIAL CUSTOMERS			
Brooklyn Union	32	$ 165	23,076	$ 5,190	727	$7.14
Columbia Gas	6	36	6380	5,918	1,047	5.65
Corning Gas	1	11	2,248	13,599	2,824	4.82
National Fuel Gas	41	339	62,191	8,240	1,513	5.45
St. Lawrence Gas	1	29	6,537	27,307	6,081	4.49
Syracuse Suburban	1	19	4,094	19,970	4,379	4.56
Composite	82	$ 598	104,525	$ 7,320	1,279	5.72
			OTHER SALES TO PUBLIC AUTHORITIES			
Brooklyn Union	3.0	42	6,318	$14,415	2,186	$6.59
Corning Gas	0.1	1	147	6,876	1,404	4.90
			SALES FOR RESALE			
	(Units)					
Brooklyn Union	1	16.00	4,905			$3.36
Corning Gas	2	25.00	5,707			4.42
Syracuse Suburban	1	0.03	8			4.31

Source and Use of Funds

The major source of revenue for the straight gas companies came from the sale of gas. The sources and disposition of the revenues for 1985 are shown in the following chart.

Straight Gas Companies



A comparison of the sources and disposition of the 1984 and 1985 revenue dollar appears in the next table. The two largest percent changes between these years were in depreciation and federal income taxes, with increases of 11.7% and 12.5%, respectively.

The Straight Gas Companies
Source and Disposition of Revenue
1985 and 1984

	1985 (Cents)	1984 (Cents)
Source		
Residential Sales	66.2	65.8
Commercial and Industrial Sales	29.0	29.9
Other Sales	4.8	4.3
Total	100.0	100.0
Disposition		
Operation & Maintenance Expense	79.8	80.9
Depreciation	1.9	1.7
Operating Taxes	9.2	8.8
Federal Income Tax	2.7	2.4
Interest & Other Fixed Charges–Net	3.1	3.0
Earnings Available for Common	3.3	3.2
Total	100.0	100.0

Gas Plant

Gross investment in plant by the gas industry in 1985 amounted to $3.8 billion. This represented an increase of $228.2 million (6.3%) during the year. This increase was almost evenly divided between the two segments of the gas industry, $116.5 million added by the combination companies and $111.7 million by the straight gas companies. The breakdown of total investment for the years 1985 and 1984 and the proportionate share of each segment to the total are shown in the table below.

Gross Plant Investment
December 31

	1985		1984		Increase	
Type of Utility	$ Millions	%	$ Millions	%	$ Millions	%
Combination Companies	$2,293.3	59.7%	$2,176.8	60.3%	$116.5	5.3%
Straight Gas Companies	1,545.6	40.3	1,433.9	39.7	111.7	7.8
Total	$3,838.9	100.0%	$3,610.7	100.0%	$228.2	6.3%

Average gross plant investment increased for both segments of the gas distribution industry in 1985, but while revenues also increased for the straight gas companies (by almost $150 million) the combination companies gas revenue dropped $374 million below the 1984 amount.

Revenues and average plant for the straight gas companies and the combination companies' gas departments are compared below for 1985 and 1984.

Average Gas Plant Investment per Dollar of Revenue

Type of Utility	1985 Average Gross Plant ($ Millions)	1985 Revenues ($ Millions)	1984 Average Gross Plant ($ Millions)	1984 Revenues ($ Millions)
Combination Companies	$2,235.1	$2,233.3	$2,130.1	$2,607.5
Straight Gas Companies	1,489.7	2,304.1	1,387.0	2,155.5
Total	$3,724.8	$4,537.4	$3,517.1	$4,762.8

Capitalization

The capitalization of the straight gas companies on a composite basis increased by 10.0%, from $1.053 billion in 1984 to $1.159 billion in 1985. Percentagewise there was a slight increase in the use of debt and corresponding reductions in preferred stock and common equity. The next table shows the components of capitalization for the years 1985 and 1984 and the proportionate share of each to the total.

Capitalization
Straight Gas Companies

	1985 $ Millions	1985 %	1984 $ Millions	1984 %
Long-Term Debt	$ 497.2	42.9%	$ 430.2	40.9%
Preferred Stock	77.3	6.7	78.9	7.5
Common Equity	584.1	50.4	543.8	51.6
Total	$1,158.6	100.0%	$1,052.9	100.0%

Earnings – Straight Gas Companies

Although earnings available for the common stockholders of the straight gas companies were down in 1985 from 1984 by $1.3 million (only Brooklyn Union showed increased 1985 earnings) common dividends declared increased 13.2%. Return on common equity decreased for all the straight gas companies.

Earnings Available for Common and Return on Common Equity

Company	1985 Earnings Available for Common	1985 Return on Common Equity	1984 Earnings Available for Common	1984 Return on Common Equity
Brooklyn Union	$51,849,859	14.3%	$48,194,530	14.7%
Columbia Gas	931,332	8.4	1,359,726	12.1
Corning Gas	471,473	12.3	500,503	13.6
National Fuel	20,671,324	13.4	24,523,847	14.3
St. Lawrence Gas	956,402	12.8	1,248,826	19.2
Syracuse Suburban	316,910	11.5	651,063	30.5
Composite	$75,197,300	13.3%	$76,478,495	14.7%

Common earnings and dividends declared per share and the associated payout ratios are detailed for the straight gas companies in the next table. Except for Brooklyn Union, however, the data relate to common shares that are wholly owned by parent companies (in the cases of Columbia, National Fuel and St. Lawrence) and to shares that are closely held (in the cases of Corning and Syracuse Suburban).

Common Earnings per Share, Dividends Declared per Share and Payout Ratios

Company	1985 Common Earnings Per Share	1985 Common Dividends Declared Per Share	1985 Payout Ratio	1984 Common Earnings Per Share	1984 Common Dividends Declared Per Share	1984 Payout Ratio
Brooklyn Union	$ 4.93	$ 3.17	64.3	$ 4.79	$ 3.05	63.7
Columbia Gas	5.01	6.10	117.9	7.31	8.15	110.3
Corning Gas	2.38	1.72	72.3	2.53	1.60	63.2
National Fuel	10,335.66	8,193.50	79.3	12,261.92	6,381.75	52.0
St. Lawrence Gas	2.20	1.25	56.8	2.87	1.00	34.8
Syracuse Suburban	7.55	4.00	53.0	15.50	3.00	19.4
Composite	6.60	4.56	69.1	6.99	4.20	60.1

Earnings and dividend information on the gas departments of the seven combination companies is located in the Electric Industry Highlights section of this book.

Detailed statements on all the class A and B gas utilities can be found in Section II of this book.

THE TELEPHONE INDUSTRY
HIGHLIGHTS

There are 41 telephone companies in New York State with annual operating revenues exceeding $250,000 (Class A companies). These companies range in size from New York Telephone with $6.6 billion in annual revenues to Fishers Island Telephone with $403,000.

As a group, these 41 companies experienced 4.5% growth in 1985, with revenues increasing by $393.0 million. Local service revenues increased by $274 million (6.9%), miscellaneous revenues (primarily Access Line Revenues) increased $338 million (16.1%), and toll revenues decreased by $218 million (8.5%).

As a result of vigorous competition in telecommunications, toll service pricing has been a major issue before the Commission. In particular, the Commission is trying to determine the proper charges to be levied on the interexchange companies (*e.g.* AT&T, SPRINT, MCI, etc.) for access to the telephone systems of the local networks, while at the same time avoiding the loss of toll revenues. To date, toll revenues have been fairly level to the independent telephone companies, although, in the latter part of 1985, the Commission lowered access charges and allowed companies to increase local rates by about 3%.

In addition to revenue growth, the telephone industry also experienced increases in net plant investment used to serve their customers and in the number of access lines in service: gross plant in service increased by $1.0 billion (9.3%). Approximately one-third of these expenditures were made to modernize the telephone network. Access lines increased by almost 338,000 (3.6%) during 1985.

Dominating the 41 Telecos are New York Telephone and AT&T Communications of New York, Inc. (ATTCOM) which, together, make up 94.0% of revenues, 89% of investment in net plant in service, and 91% of the access lines (ATTCOM provides interLATA and interstate toll service and therefore has no access lines).

The following table lists all 41 companies and ranks them according to revenues: also shown are investment in net plant and the number of access lines.

THE PRIVATELY OWNED TELEPHONE COMPANIES IN NEW YORK STATE – 1985

Company	Revenues (000)	Percent of Total	Net Plant in Service (000)	Percent of Total	Telephone Access Lines	Percent of Total
New York Telephone Company	$6,633,948	73.3	$10,666,915	83.4	8,819,528	90.7
AT&T Communications of New York, Inc.	1,877,465	20.7	667,252	5.2	–	–
Rochester Telephone Corporation	238,282	2.6	384,143	3.0	410,452	4.2
Continental Telephone Co. of N.Y., Inc.	140,889	1.5	240,422	1.9	210,998	2.2
ALLTEL New York, Inc.	42,998	*	71,224	*	76,550	1.0
Highland Telephone Company	25,480		44,359		39,410	*
Taconic Telephone Corporation	9,488		14,782		18,250	
Warwick Valley Telephone Company	8,356		9,748		14,382	
Chautauqua and Erie Telephone Corporation	5,472		10,395		8,660	
Ogden Telephone Company	5,428		12,871		14,830	
Sylvan Lake Telephone Company, Inc.	5,111		9,258		10,952	
Dunkirk and Fredonia Telephone Company	4,147		6,039		7,601	
Seneca-Gorham Telephone Corporation	3,442		6,981		6,911	
Empire Telephone Corporation	3,434		6,870		5,680	
Champlain Telephone Company, The	3,171		5,320		4,096	
Deposit Telephone Company, Inc.	3,028		5,619		6,221	
Ausable Valley Telephone Company	2,881		5,753		4,867	
Middleburgh Telephone Company, The	2,651		5,104		4,328	
Trumansburg Home Telephone Company	2,413		3,484		5,379	
State Telephone Company	2,346		1,485		6,108	
Delhi Telephone Company	2,240		3,451		3,861	
Berkshire Telephone Corporation	1,870		4,951		4,250	
Ontario Telephone Company, Incorporated	1,816		2,580		3,461	
Chazy and Westport Telephone Company	1,634		2,817		2,522	
Port Byron Telephone Company	1,587		2,381		2,522	
Vernon Telephone Company, Inc.	1,481		2,642		2,549	
Newport Telephone Company, Inc.	1,477		2,538		2,525	
Margaretville Telephone Co., Inc.	1,447		3,178		2,769	
Oneida County Rural Telephone Company	1,354		2,058		2,763	
Addison Home Telephone Company	1,308		2,619		2,679	
Germantown Telephone Company, Inc.	1,230		1,680		1,735	
Township Telephone Company, Inc.	1,103		2,790		4,436	
Edwards Telephone Company, Inc.	1,076		1,962		1,521	
Nicholville Telephone Company, Inc.	886		1,868		1,791	
Hancock Telephone Company, The	877		1,340		1,296	
Citizens Telephone Co. of Hammond, N.Y., Inc.	715		1,180		1,096	
Pattersonville Telephone Company	711		918		1,087	
Crown Point Telephone Corporation	534		624		726	
Cassadaga Telephone Corporation	482		530		1,587	
Clymer Telephone Company, Inc.	451		816		881	
Fishers Island Telephone Corporation, The	403		301		771	
TOTAL	$9,045,116	100%	$12,221,248	100%	9,722,031	100%

*Remaining companies each represent less than 1% of the total.

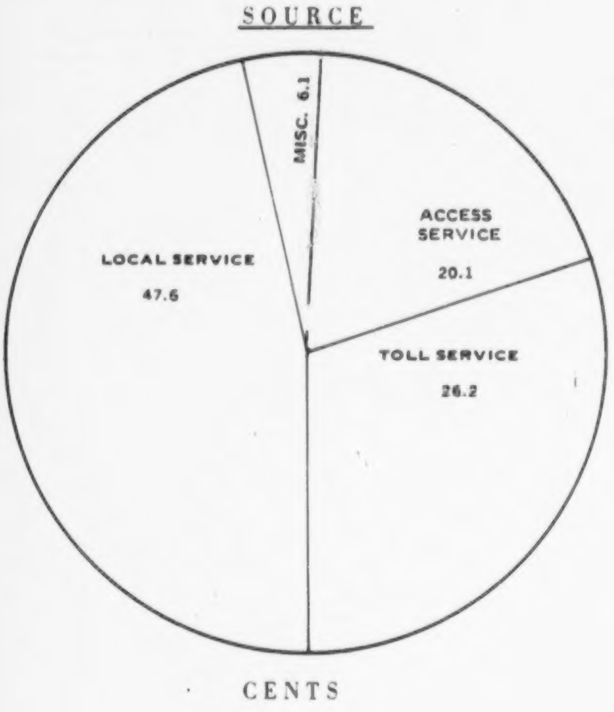
Sources and Disposition of Revenues

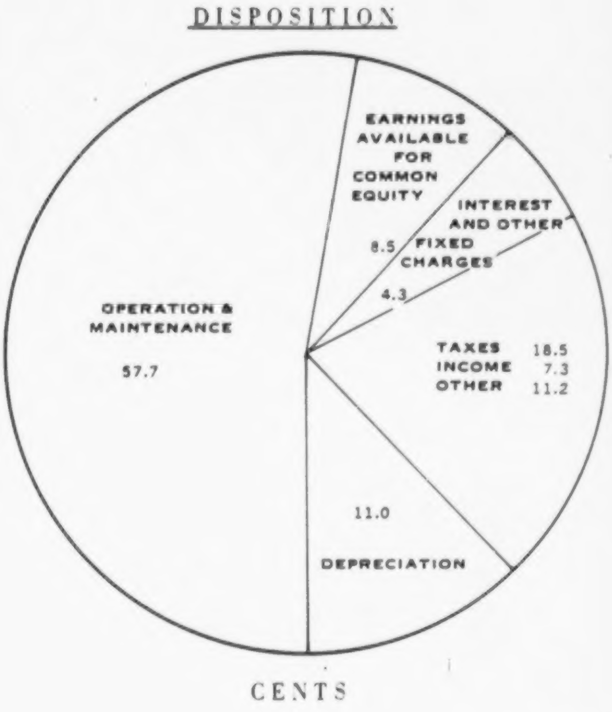
The following table reflects telephone operating revenues for 1984 and 1985, by type of service, *i.e.* local, access, toll and miscellaneous.

	Telephone Revenues			
	1985		1984	
Source	($ Millions)	% of Total	($ Millions)	% of Total
Local Service	$4,274	46.9%	$4,000	46.2%
Access Revenues	1,882	20.6	--	–
Toll Service	2,338	25.7	2,556	29.6
Miscellaneous	552	6.0	2,096	24.2
Total	$9,045	100.0%	$8,652	100.0%

Source and Disposition of Funds

The sources of telephone revenues and their disposition to pay operating expenses, etc. are depicted below in both pie chart and tabular form:





Class A&B Telephone Companies
Source and Disposition of Revenue
1984 and 1985

Source	1985 (Cents)	1984 (Cents)
Local Service	47.6	46.6
Access Service	20.1	21.6
Toll Service	26.2	27.7
Miscellaneous	6.1	4.1
Total	100.0	100.0
Disposition		
Operation and Maintenance Expense	57.7	58.1
Depreciation and Amortization	11.0	10.4
Operating Taxes	11.2	13.1
Federal Income Tax	7.3	5.7
Interest and Other Fixed Charges – Net	4.3	4.5
Earnings Available for Common	8.5	8.2
Total	100.0	100.0

Access Line Statistics

In the years prior to 1984, main stations were considered the standard unit of measurement in telephone operations. However, with the deregulation of new customer premises equipment in 1983, telephone stations increasingly were purchased by customers and that unit was no longer useful in making comparisons. As a result, main stations were replaced by access lines as the industry unit of measurement. The following table shows revenues per average access line for the four largest telephone companies that provide local service:

The Four Largest Telephone Companies in New York State*
Revenues Per Average Access Line

	Average Number of Access Lines		Revenues		Revenues Per Average Access Line	
	1985	1984	1985	1984	1985	1984
	(Thousands)		($ Millions)		(Dollars)	
New York Telephone	8,663	8,432	$6,634	$6,399	$766	$759
Rochester Telephone	407	397	238	228	585	574
Continental Telephone–N.Y.	208	202	141	129	678	639
ALLTEL New York, Inc.	76	73	43	39	566	534

*Excludes AT&T Communications of New York, Inc.

As shown, revenues per average access line increased for each of the four companies listed. Rochester Telephone, Continental, and ALLTEL had increases of 1.9%, 6.1% and 6.0% respectively. New York Telephone had the smallest percentage increase of the four companies at 0.9%.

All the major telephone companies had rate requests acted upon by the Commission in 1985. New York Telephone requested $775 million in additional revenues, but received less than one-third, $226.2 million. Included in the rate changes were decreases in local calling rates, intra-LATA toll rates and access charges. ALLTEL of New York received a rate increase of $2.35 million in January while Rochester and Continental Telephone were ordered to reduce their rates by $1.7 million and $3.5 million respectively. However, both companies, as well as all the other independent companies, were allowed to increase local service rates by 3% to recoup revenue losses resulting from the toll rate reductions in the New York Telephone rate case.

Also, in 1985 the Legislature reduced the State Gross Receipts Tax on telephone utilities from 3.75% to 3.3%. The telephone companies filed tariff changes to pass the benefits of lower tax expenses on to their customers.

Capitalization

In 1985, total capitalization of the telephone industry rose $143 million (1.4%) over the 1984 level. The relative components of this capital structure changed very little as common equity increased by one percent and long-term debt decreased by a like amount; preferred stock remained the same. This data is shown in the table below.

Capitalization

	1985		1984	
	$ Millions	%	$ Millions	%
Long-Term Debt	$ 4,307.7	42.1%	$ 4,350.3	43.1%
Preferred Stock	31.9	0.3	32.3	0.3
Common Equity	5,905.9	57.6	5,719.9	56.6
Total	$10,245.5	100.0%	$10,102.5	100.0%

Income, Dividends and Payout Ratios

On a composite basis, net income for the 41 telephone companies increased by $63 million or 8.3% in 1985. ALLTEL had the largest increase with an 81% improvement over 1984. The other major companies had increases in net income as follows: ATTCOM, $13.5 million (30.4%); Continental, $3.8 million (31.6%); Rochester, $6.5 million (18.4%) and New York Telephone, $32.8 million (5.0%).

Continental Telephone–N.Y. paid $1 million less in dividends to its parent in 1985 ($12.5 million) than in 1984 and its payout ratio decreased from 100% to 79%.

The following table shows earnings available for common, common dividends and payout ratios for 1984 and 1985 for the five largest telephone companies separately, and for the other 36 companies as a group.

Earnings Available, Dividends and Payout Ratios

Company	Earnings Available		Common Dividends		Payout Ratio	
	1985	1984	1985	1984	1985	1984
	($ Thousands)		($ Thousands)			
New York Telephone	$693,313	$660,509	$587,304	$561,792	84.7	85.1
AT&T Communications	57,744	44,296	35,320	11,142	61.2	25.2
Rochester Telephone	41,915	35,415	25,209	23,670	60.1	66.8
Continental Telephone–N.Y.	15,865	12,056	12,500	13,500	78.8	112.0
ALLTEL New York, Inc.	5,300	2,927	3,771	1,901	71.2	64.9
Other 36 Companies	15,097	10,659	4,898	3,903	32.4	36.6
Total	$829,234	$765,862	$669,002	$615,908	80.7	80.4

Detailed data on each of the forty-one telephone companies appear in section III of this book.

THE WATER INDUSTRY

HIGHLIGHTS

There are 15 Class A & B water companies in New York State with annual operating revenues of $100,000 or more. These companies range in size from Jamaica Water Supply Company with $39.7 million in revenues to Fishers Island Water Works Corporation's $200,000 in revenues.

Spring Valley Water Company, Inc. had the largest investment in net water plant in service in 1985 with $74.2 million. The following table ranks the A & B water companies on the basis of revenues accrued for rendition of service.

WATER COMPANIES IN NEW YORK STATE

Name of Company	Revenues	% of Total	Net Water Plant In Service	% of Total	Ave. No. of Cust.	% of Total
Jamaica Water Supply Company	$ 39,655,467	31.0%	$ 56,639,596	25.2%	117,542	33.4%
Spring Valley Water Company, Inc.	29,094,904	22.7	74,246,395	33.0	52,941	15.0
Long Island Water Corporation	22,395,060	17.5	28,841,251	12.8	71,719	20.4
New Rochelle Water Company, The	11,267,561	8.8	22,384,958	10.0	29,083	8.3
New York Water Service Corp.	11,036,203	8.6	18,453,704	8.2	43,568	12.3
New York-American Water Company	5,636,203	4.4	6,982,989	3.1	10,841	31.1
Citizens Water-Supply Company of Newtown, The	3,639,793	2.8	4,726,914	2.1	7,725	2.2
Sea Cliff Water Company	1,131,991	*	1,437,050	*	4,461	1.3
Wanakah Water Company	1,100,980		1,801,409		3,516	1.0
Country Knolls Water Works, Inc.	899,337		2,394,049	1.1	4,071	1.1
Owego Water Works	671,000		967,926	*	1,459	*
Shorewood Water Corp.	553,652		4,134,202	1.8	4,160	
Sterling Forest Water Corp.	405,376		1,101,904	*	228	
Kiamesha Artesian Spring Water Company	287,684		289,907		281	
Fishers Island Water Works Corporation	216,684		359,295		505	
Total	$127,991,832	100.0%	$224,761,549	100.0%	352,100	100.0%

*Remaining companies each represent less than 1% of the total.

Revenues and Sales

In 1985 revenues from sales to metered water customers increased by $7.3 million over 1984 (7.8%) while revenues from sales to unmetered water customers declined by $3.5 million (24.0%) due to the installation of meters for 23,000 previously unmetered customers of Jamaica Water Supply Company. The company is in the process of installing meters for all its flat rate customers; this program is scheduled for completion by December 31, 1992. Overall, the number of metered customers increased by over 26,000 and the number of unmetered customers decreased by almost 23,000. The following table compares revenues by category of sales for 1984 and 1985:

Water Revenues and Other Income

	1985		1984	
	$ Thousands	% of Total	$ Thousands	% of Total
Metered Sales to General Customers	$101,161	79.0%	$ 93,881	76.3%
Unmetered Sales to General Customers	11,074	8.7	14,572	11.8
Other Water Revenues and Income	15,756	12.3	14,630	11.9
Total	$127,992	100.0%	$123,083	100.0%

The cost of both metered and unmetered water per thousand gallons increased in 1985 by 4.3% and 9.3%, respectively. Total water usage declined in 1985 by 1,965 million gallons (3.5%) from that reported in 1984. This decrease in usage may be due in part to drought-related water restrictions and lower demand by metered customers. The following table compares 1985 and 1984 consumption and cost per thousand gallons:

Cost per Thousand Gallons of Water
1985 and 1984

	1985			1984		
	Revenues ($Thousands)	Gallons (Millions)	Cost Per 1,000 Gallons (Dollars)	Revenues ($Thousands)	Gallons (Millions)	Cost per 1,000 Gallons (Dollars)
Metered General Customers	$101,161	46,459	$2.18	$93,881	44,969	$2.09
Unmetered General Customers	11,074	7,858	1.41	14,572	11,313	1.29

Average Annual Water Bill Data

The data on the following page presents usage, revenues, and average annual bills for the customers of each of the 15 A & B water companies.

WATER INDUSTRY
AVERAGE ANNUAL BILL DATA
1985

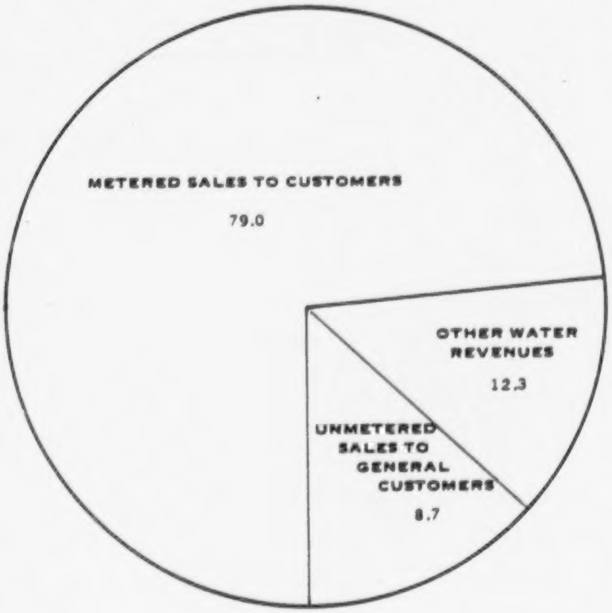
	Average Number of Customers	Operating Revenues ($ Thousands)	Gallons Sold (Millions)	Average Annual Bill Per Customer	Average Usage Per Customer (Thousand Gallons)	Average Revenue Per Thousand Gallons Sold
				TOTAL		
Citizens Water	7,725	$ 3,640	1,394	$ 471	181	$2.60
Country Knolls	4,071	899	342	221	84	2.63
Fishers Island	505	217	27	429	53	8.11
Jamaica Water	117,542	39,655	22,823	337	194	1.73
Kiamesha	281	288	118	1,024	420	2.43
Long Island Water	71,719	22,395	9,440	312	132	2.37
New Rochelle	29,083	11,268	5,374	387	185	2.10
New York-American	10,841	5,636	1,609	520	148	3.50
New York Water Service	43,568	11,036	4,681	253	107	2.36
Owego Water	1,459	671	485	460	332	1.38
Sea Cliff Water	4,461	1,132	376	254	84	3.01
Shorewood Water	4,160	554	500	133	120	1.10
Spring Valley Water	52,941	29,095	7,145	550	135	4.07
Sterling Forest Water	228	405	82	1,778	360	4.94
Wanakah Water	3,516	1,101	260	313	74	4.24
Composite	352,100	$127,992	54,660	$ 364	155	$2.34
				METERED GENERAL CUSTOMERS		
Citizens Water	7,644	$ 3,328	1,399	$ 435	183	$2.38
Country Knolls	4,071	856	342	210	84	2.50
Fishers Island	495	199	26	402	53	7.52
Jamaica Water	76,930	23,085	15,057	300	196	1.53
Kiamesha	272	97	27	358	98	3.66
Long Island Water	71,202	20,548	9,439	289	133	2.18
New Rochelle	28,690	10,038	5,267	350	184	1.91
New York-American	10,567	4,881	1,505	462	142	3.24
New York Water Service	43,432	10,131	4,681	233	108	2.16
Owego	1,436	607	456	423	318	1.33
Sea Cliff Water	4,081	966	376	237	92	2.57
Shorewood Water	4,100	487	438	119	107	1.11
Spring Valley Water	52,448	24,609	7,104	469	135	3.46
Sterling Forest Water	224	366	82	1,632	366	4.45
Wanakah Water	3,509	164	260	275	74	3.71
Composite	309,101	$101,362	46,459	$ 327	150	$2.18
				UNMETERED GENERAL CUSTOMERS		
Jamaica Water	39,828	$10,887	7,766	$ 273	195	$1.40
Kiamesha	4	181	90	45,157	22,602	2.00
Long Island Water	8	5	2	728	215	3.39
Composite	39,840	$11,074	7,858	$ 278	197	$1.41

Source and Disposition of Revenues

The primary source of revenues for the water industry in 1985 was from sales to metered customers. These sales made up 79.0% of every dollar collected, while unmetered sales represented 8.7% and other water revenues contributed 12.3%.

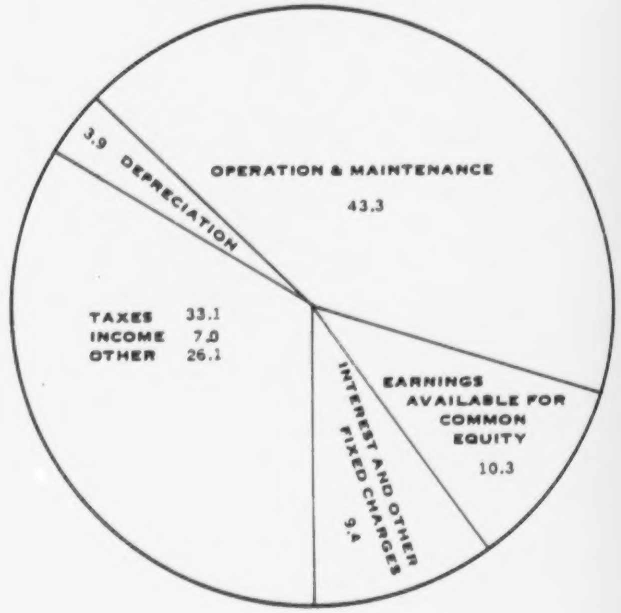
Operation and maintenance expense in 1985 consumed 43.3 cents of the revenue dollar while taxes (33.1 cents), interest and fixed charges (9.4 cents), earnings available for common equity (10.3 cents), and depreciation (3.9 cents) accounted for the remainder. The source and disposition of the water revenue dollar is shown in the charts below:

SOURCE



CENTS

DISPOSITION



CENTS

A comparison of the source and disposition of the 1984 and 1985 revenue dollar and the percent change for each item follows:

The Class A and B Water Companies in New York State
Source and Disposition of Revenue
1984 and 1985

	1985 (Cents)	1984 (Cents)	Percent Change
Source			
Metered Sales to General Customers	79.0	76.3	3.5%
Unmetered Sales to General Customers	8.7	11.8	(26.3)
Other Water Revenues	12.3	11.9	3.4
Total	100.0	100.0	
Disposition			
Operation & Maintenance	43.3	42.3	2.4
Depreciation	3.9	3.6	8.3
Operating Taxes	26.1	27.0	(3.3)
Federal Income Taxes	7.0	7.0	–
Interest Expense and Other Fixed Charges	9.4	9.2	2.2
Earnings Available for Common	10.3	10.9	(5.5)
Total	100.0	100.0	

Plant Investment

At the end of 1985, gross investment in water plant rose to $306.5 million, a 5.8% ($16.7 million) increase over December 31, 1984. Jamaica Water Supply Company had the largest overall increase in water plant of $6.5 million. These additions were primarily for transmission and distribution plant, and water treatment facilities. Spring Valley Water Company had an increase of $4.5 million in water plant with sizeable additions to its pumping plant and transmission and distribution plant.

Capitalization

On an aggregate basis, the capitalization of the 15 water companies increased by $14.3 million in 1985. The change in the proportion of each segment to the total was less than 1%. The following table shows a comparison of the capitalization of the water companies for 1984 and 1985:

Capitalization

	1985		1984	
	($ Millions)	% of Total	($ Millions)	% of Total
Long-Term Debt	$ 94.1	38.9%	$ 86.9	38.2%
Preferred Stock	11.6	4.8	12.1	5.3
Common Equity	136.4	56.3	128.9	56.5
Total	$242.2	100.0%	$227.9	100.0%

Earnings Available for Common, Dividends, and Payout Ratios

On a composite basis, earnings available for the 15 water companies decreased in 1985 by almost $0.9 million while dividends declared increased by $1.4 million. These factors increased the payout ratio in 1985 to 47.2 compared to 35.1 in 1984. The next table shows earnings available for common dividends, and the payout ratios for the three largest water companies individually, and the twelve other companies as a group:

Net Income, Dividends and Payout Ratios

	1985			1984		
Company	Net Income Available For Common ($ Thousands)	Common Dividends ($ Thousands)	Payout Ratio	Net Income Available for Common ($ Thousands)	Common Dividends ($ Thousands)	Payout Ratio
Spring Valley Water Co., Inc.	$ 4,713	$3,046	64.6	$ 4,443	$2,468	55.5
Jamaica Water Supply Co.	3,216	1,092	40.0	2,807	–	–
Long Island Water Corp.	1,966	2,133	108.5	2,180	2,300	105.5
Other Water Companies	4,378	465	10.6	5,763	572	9.9
Composite	$14,273	$6,736	47.2	$15,193	$5,340	35.1

Details on the fifteen water companies can be found in Section IV of this book.

COMPOSITE STATEMENTS

BALANCE SHEETS

INCOME STATEMENTS

STATEMENTS OF CHANGES IN FINANCIAL POSITION

STATEMENTS OF REVENUE, PLANT, AND OPERATION AND MAINTENANCE

DISTRIBUTION OF UTILITY REVENUES

Combination Gas and Electric Companies

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK
TABLE 1. COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981
ASSETS AND OTHER DEBITS					
ELECTRIC UTILITY PLANT	$ 30,009,784,291	$ 27,565,172,641	$ 25,016,074,182	$ 22,516,915,877	$ 20,256,339,128
ACCUMULATED PROVISION FOR DEPR. AND AMORT	5,881,392,104	5,484,777,473	5,228,863,718	4,814,977,059	4,497,833,695
NET ELECTRIC UTILITY PLANT	24,128,372,187	22,080,385,168	19,787,210,464	17,701,938,818	15,758,505,433
GAS UTILITY PLANT	2,293,321,402	2,176,834,152	2,083,290,248	1,984,765,271	1,874,099,172
ACCUMULATED PROVISION FOR DEPR. AND AMORT	596,565,048	546,898,720	499,005,810	458,788,717	420,815,927
NET GAS UTILITY PLANT	1,696,756,354	1,629,935,432	1,584,284,438	1,525,976,554	1,453,283,245
OTHER UTILITY PLANT	1,180,009,433	1,136,548,153	1,018,944,656	949,634,027	875,119,437
ACCUMULATED PROVISION FOR DEPR. AND AMORT.	295,797,804	278,220,198	265,136,537	244,326,699	220,065,120
NET OTHER UTILITY PLANT	884,211,629	858,327,955	753,808,119	705,307,328	655,054,317
TOTAL UTILITY PLANT	33,483,095,126	30,878,554,946	28,118,309,086	25,451,315,175	23,005,557,737
ACCUMULATED PROVISION FOR DEPR. AND AMORT	6,773,754,956	6,309,896,391	5,993,006,065	5,518,092,475	5,138,714,742
NET TOTAL UTILITY PLANT	26,709,340,170	24,568,658,555	22,125,303,021	19,933,222,700	17,866,842,995
NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	27,829,478	28,268,023	29,218,879	33,545,250	32,727,112
INVESTMENT IN ASSOCIATED COMPANIES	-	330,904	413,763	356,832	356,832
INVESTMENT IN SUBSIDIARY COMPANIES	148,333,461	139,322,190	123,640,378	105,389,463	89,621,648
OTHER INVESTMENTS	307,515,972	208,054,705	138,477,804	75,872,706	89,348,463
SPECIAL FUNDS	80,315,754	50,826,153	29,920,597	13,593,630	122,020,537
TOTAL OTHER PROPERTY AND INVESTMENTS	563,994,666	426,801,975	321,671,421	228,737,881	334,074,592
CASH	44,572,243	46,187,562	41,233,547	38,285,515	37,206,714
SPECIAL DEPOSITS	152,534,083	180,456,601	19,676,852	54,458,171	8,306,021
WORKING FUNDS	30,321,621	4,375,306	10,895,120	12,328,073	3,219,280
TEMPORARY CASH INVESTMENTS	902,955,900	843,760,903	883,259,682	351,455,336	390,119,150
NOTES + ACCOUNTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	1,122,750,861	1,126,296,725	1,116,495,793	987,048,864	925,497,770
RECEIVABLES FROM ASSOCIATED COMPANIES	8,203,178	8,918,724	7,685,154	10,003,869	9,044,983
MATERIALS AND SUPPLIES	653,815,563	733,645,887	656,552,290	751,844,975	734,188,171
GAS STORED UNDERGROUND-CURRENT	63,916,183	77,209,150	83,416,656	96,208,478	64,005,157
LIQUEFIED NATURAL GAS IN STORAGE	7,923,781	7,098,694	6,247,302	6,087,848	4,791,720
PREPAYMENTS	117,380,267	107,123,960	88,299,096	91,119,325	75,049,181
OTHER CURRENT AND ACCRUED ASSETS	83,398,618	88,511,945	68,565,025	57,421,953	58,245,482
TOTAL CURRENT AND ACCRUED ASSETS	3,187,772,299	3,203,585,457	2,982,326,517	2,454,282,406	2,309,673,609
UNAMORTIZED DEBT EXPENSE	196,280,882	141,755,143	92,740,164	82,406,430	67,637,958
EXTRAORDINARY PROPERTY LOSSES	186,405,792	175,081,494	148,631,299	124,029,953	34,803,139
PRELIMINARY SURVEY + INVESTIGATION CHARGES	3,834,647	7,243,793	7,518,291	6,425,415	4,822,934
CLEARING ACCOUNTS	3,053,581	3,364,552	5,219,562	3,912,963	3,175,947
DEFERRED LOSSES FROM DISP. OF UTILITY PLT.	-	-	-		-
RESEARCH AND DEVELOPMENT	24,003,771-	14,635,120-	710,119-	7,968,166	10,617,580
ACCUMULATED DEFERRED INCOME TAXES	125,982,149	163,272,955	133,526,424	163,794,406	126,410,587
OTHER DEFERRED DEBITS	479,747,374	286,342,095	274,842,067	417,409,539	276,723,745
TOTAL DEFERRED DEBITS	971,280,654	762,414,912	661,767,688	805,946,872	524,191,890
TOTAL ASSETS AND OTHER DEBITS	$ 31,432,387,788	$ 28,961,460,899	$ 26,091,068,647	$ 23,422,169,859	$ 21,034,783,087
LIABILITIES AND OTHER CREDITS					
COMMON STOCK ISSUED	$ 2,086,892,324	$ 2,040,892,370	$ 1,937,200,589	$ 1,803,750,119	$ 1,605,534,991
PREFERRED STOCK ISSUED	2,601,488,691	2,607,363,314	2,621,788,319	2,304,812,189	2,256,629,161
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
PREMIUM ON CAPITAL STOCK	3,872,637,517	3,676,109,680	3,405,146,111	3,020,104,079	2,564,773,445
OTHER PAID-IN CAPITAL	367,582,871	366,953,498	364,659,913	364,218,253	363,739,648
INSTALLMENTS RECEIVED ON CAPITAL STOCK	107,481	342,890	337,245	443,061	467,871
CAPITAL STOCK EXPENSE	134,499,242-	133,624,908-	132,326,826-	121,356,131-	111,366,128-
RETAINED EARNINGS	5,804,030,268	5,040,972,570	4,156,908,404	3,645,914,282	3,174,586,041
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	86,161,792	72,190,171	64,058,775	28,935,286	39,559,526
REACQUIRED CAPITAL STOCK	7,653,963-	1,854,284-	4,147,600-	2,008,000-	2,570,980-
TOTAL PROPRIETARY CAPITAL	14,656,747,739	13,689,345,301	12,413,624,930	11,044,813,138	9,891,353,575
BONDS(LESS BONDS REACQUIRED)	9,132,020,500	8,745,419,500	8,139,062,500	7,917,702,500	7,381,166,500
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
OTHER LONG-TERM DEBT	2,830,012,244	2,188,711,466	1,817,779,684	959,902,621	729,023,919
NET UNAMORTIZED PREMIUM AND DISCOUNT	9,283,272-	9,014,566-	6,024,050-	1,676,207-	5,095,806
TOTAL LONG-TERM DEBT	11,952,749,472	10,925,116,400	9,950,818,134	8,875,928,914	8,115,286,225
NOTES PAYABLE	127,800,000	111,150,000	212,350,000	269,150,000	182,930,000
ACCOUNTS PAYABLE	681,069,882	718,530,934	711,367,093	755,361,806	686,632,079
PAYABLES TO ASSOCIATED COMPANIES	2,770,613	3,475,427	1,954,839	3,374,434	1,617,608
CUSTOMER DEPOSITS	147,544,649	129,771,860	111,924,529	103,066,783	97,164,294
TAXES ACCRUED	248,655,877	353,680,198	277,192,560	239,511,526	242,922,262
INTEREST ACCRUED	272,431,781	252,629,026	215,002,277	198,884,422	171,120,289
DIVIDENDS DECLARED	44,743,158	43,715,873	93,123,905	83,412,760	67,757,527
TAX COLLECTIONS PAYABLE	39,216,051	42,277,888	39,760,279	36,898,855	36,978,513
OTHER CURRENT AND ACCRUED LIABILITIES	484,872,221	377,592,049	348,242,058	306,451,316	314,084,103
TOTAL CURRENT AND ACCRUED LIABILITIES	2,049,104,232	2,032,823,255	2,010,917,540	1,996,110,902	1,781,206,675
CUSTOMER ADVANCES FOR CONSTRUCTION	13,821,434	11,151,873	6,410,251	5,382,354	4,242,939
DEFERRED GAINS FROM DISP. OF UTILITY PLT.	-	-	-	-	-
ACCUM. DEFERRED INVESTMENT TAX CREDITS	994,073,477	868,590,017	634,044,063	487,730,403	390,759,244
OTHER DEFERRED CREDITS	453,976,667	365,403,766	198,988,568	187,795,922	176,830,983
ACCUMULATED DEFERRED INCOME TAXES					
ACCELERATED AMORTIZATION	9,979,714	12,437,130	15,796,762	19,314,236	23,023,841
LIBERALIZED DEPRECIATION	979,569,040	793,147,943	600,513,389	493,739,689	400,721,680
OTHER	298,491,120	250,887,081	238,599,905	293,684,766	236,453,615
TOTAL DEFERRED CREDITS	2,749,911,452	2,301,617,810	1,694,352,938	1,487,627,370	1,232,032,302
PROPERTY INSURANCE RESERVE	909,036	939,982	1,619,072	1,450,008	1,024,082
INJURIES AND DAMAGES RESERVE	21,861,406	19,614,391	20,506,373	18,672,490	15,808,625
PENSIONS AND BENEFITS RESERVE	2,097,539	1,679,971	1,232,996	771,727	258,634
MISCELLANEOUS OPERATING RESERVES	993,088-	10,323,789	2,003,336-	3,204,690-	2,187,031-
TOTAL OPERATING RESERVES	23,874,893	32,558,133	21,355,105	17,689,535	14,904,310
TOTAL LIABILITIES AND OTHER CREDITS	$ 31,432,387,788	$ 28,961,460,899	$ 26,091,068,647	$ 23,422,169,859	$ 21,034,783,087

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK
TABLE 2. COMPARATIVE INCOME STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981
COMPARATIVE INCOME STATEMENTS					
ELECTRIC UTILITY OPERATING INCOME					
OPERATING REVENUES	$ 10,478,542,771	$ 10,563,784,310	$ 9,853,074,822	$ 9,057,237,377	$ 8,824,118,087
OPERATION AND MAINTENANCE EXPENSE	5,634,078,975	6,009,031,134	5,783,107,997	5,489,930,645	5,623,233,130
DEPRECIATION EXPENSE	573,518,465	514,749,202	481,662,615	455,138,513	425,731,689
AMORTIZATION	48,459,248	32,715,914	33,221,591	37,086,784	21,448,679
TAXES OTHER THAN INCOME TAXES-OPERATING	1,505,065,414	1,450,201,951	1,347,230,567	1,202,660,236	1,123,927,784
INCOME TAXES-OPERATING	928,950,019	879,686,943	685,355,652	495,246,604	391,032,881
GAINS/LOSSES FROM DISP OF UTILITY PLANT	242,885-	745,478-	584,505-	9,337-	28,165
TOTAL OPERATING EXPENSES	8,689,829,237	8,885,639,667	8,329,993,917	7,680,053,445	7,585,345,998
NET OPERATING REVENUES	1,788,713,534	1,678,144,643	1,523,080,905	1,377,183,932	1,238,772,089
INC. FROM LSD. PLT. & OTHER OPER. INC	46,583	7,189-	-	-	723,308
ELECTRIC UTILITY OPERATING INCOME	1,788,760,117	1,678,137,454	1,523,080,905	1,377,183,932	1,239,495,397
GAS UTILITY OPERATING INCOME					
OPERATING REVENUES	2,478,310,855	2,607,459,612	2,521,647,184	2,249,132,956	1,829,634,938
OPERATION AND MAINTENANCE EXPENSE	1,883,733,122	2,007,786,443	1,992,799,745	1,783,829,562	1,428,108,291
DEPRECIATION EXPENSE	70,903,141	67,161,330	60,056,226	56,671,851	48,131,897
AMORTIZATION	1,608,300	1,712,524	1,835,141	2,559,061	1,770,614
TAXES OTHER THAN INCOME TAXES-OPERATING	257,360,592	250,672,970	234,163,037	208,624,257	184,108,007
INCOME TAXES-OPERATING	76,205,034	82,286,282	57,026,729	56,456,663	29,158,530
GAINS/LOSSES FROM DISP OF UTILITY PLANT	-	-	-	-	-
TOTAL OPERATING EXPENSES	2,289,810,187	2,409,599,529	2,345,880,878	2,108,141,394	1,691,277,339
NET OPERATING REVENUES	188,500,668	197,860,083	175,766,306	140,991,562	138,357,599
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-
GAS UTILITY OPERATING INCOME	188,500,668	197,860,083	175,766,306	140,991,562	138,357,599
OTHER UTILITY OPERATING INCOME	18,471,386	25,474,823	19,487,741	28,302,183	15,118,052
TOTAL UTILITY OPERATING INCOME	1,991,732,171	1,901,472,360	1,718,334,952	1,546,477,677	1,392,971,048
OTHER INCOME					
INC FROM MDSE, JOBBING & CONTRACT WORK	46,837-	146,160	112,973-	213,095-	58,257-
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-
NONOPERATING RENTAL INCOME	297,911	110,708	16,539-	152,300	149,805
EQUITY IN EARNINGS OF SUBSIDIARY COS	15,666,965	11,085,457	14,594,036	16,449,353	10,516,414
INTEREST AND DIVIDEND INCOME	106,232,321	110,359,614	61,331,278	67,343,741	60,003,313
ALLOWANCE FOR CONSTRUCTION FUNDS	779,389,288	670,107,355	564,156,170	414,336,328	304,942,742
MISCELLANEOUS NONOPERATING INCOME	808,514	19,813,224	2,767,471	13,841,633	9,331,114
GAIN ON DISPOSITION OF PROPERTY	1,195,805	879,653	227,048	4,817,597	136,772
TOTAL OTHER INCOME	903,543,967	812,502,169	642,946,491	516,727,857	385,021,903
TOTAL INCOME	2,895,276,138	2,713,974,529	2,361,281,443	2,063,205,534	1,777,992,951
INCOME DEDUCTIONS					
TAXES OTHER THAN INC. TAXES-NONOPERATING	2,906,104	1,507,006-	1,516,531	1,581,270	1,426,458
INCOME TAXES-NONOPERATING	139,589,657-	141,647,885-	90,196,069-	69,421,091-	47,022,687-
LOSS ON DISPOSITION OF PROPERTY	8,412,514	95,744	162,404	34,361	551,083
MISCELLANEOUS AMORTIZATION	712,316	1,511,120	2,108,476	2,110,127	2,098,053
MISCELLANEOUS INCOME DEDUCTIONS	7,965,835	42,197,684	14,141,970	16,646,443	9,884,716
TOTAL INCOME DEDUCTIONS	119,592,888-	99,350,343-	72,266,688-	49,068,890-	33,062,377-
INCOME BEFORE INTEREST CHARGES	3,014,869,026	2,813,324,872	2,433,548,131	2,112,274,424	1,811,055,328
INTEREST CHARGES					
INTEREST ON LONG-TERM DEBT	1,035,466,681	932,828,043	799,258,158	681,566,927	577,141,146
AMORT OF DEBT DISCOUNT AND EXPENSE	21,045,993	14,552,127	8,765,803	7,059,230	5,290,887
AMORT OF PREMIUM ON DEBT-CREDIT	870,001-	905,144-	986,460-	1,043,864-	1,096,594-
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	1,354,840	-	-	-
OTHER INTEREST EXPENSE	43,445,777	53,152,134	54,008,952	69,623,284	80,151,738
TOTAL INTEREST CHARGES	1,099,088,450	1,000,982,000	861,064,453	757,205,577	661,487,177
INCOME BEFORE EXTRAORDINARY ITEMS	1,915,780,576	1,812,342,872	1,572,483,678	1,355,068,847	1,149,568,151
EXTRAORDINARY ITEMS					
EXTRAORDINARY INCOME	-	-	-	-	-
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-
NET INCOME	$ 1,915,780,576	$ 1,812,342,872	$ 1,572,483,678	$ 1,355,068,847	$ 1,149,568,151
DIVIDENDS DECLARED-PREFERRED STOCK	$ 143,074,197	$ 191,984,217	$ 204,132,142	$ 178,672,757	$ 160,577,442
-COMMON STOCK	803,370,098	728,151,739	822,185,511	715,881,935	594,356,391
SELECTED BALANCE SHEET RELATIONSHIPS					
ELEC UTILITY PLANT/DOLLAR OF ELECT REVENUE	2.75	2.49	2.41	2.36	2.20
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.90	0.82	0.81	0.86	0.99
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	2.42	2.18	2.10	2.07	2.00
CURRENT ASSETS / CURRENT LIABILITIES	1.56	1.58	1.48	1.23	1.30
PERCENT OF CAPITALIZATION:					
LONG-TERM DEBT	44.9	44.4	44.4	44.5	45.0
PREFERRED STOCK	9.7	10.6	11.7	11.5	12.5
COMMON STOCK + OTHER PAID-IN CAPITAL	23.4	24.4	25.1	25.5	24.7
RETAINED EARNINGS	21.8	20.4	18.5	18.3	17.6
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	35.6	35.3	35.3	34.8	35.2
% OF NET UTILITY PLANT	44.7	44.4	44.9	44.5	45.4
ACCUM.PROVISION FOR DEPR.: % OF UTILITY PLT	20.2	20.4	21.3	21.6	22.3
SELECTED INCOME ACCOUNT RELATIONSHIPS					
ELECTRIC OPERATING REVENUES:					
% OF TOTAL OPERATING REVENUES	78.8	77.9	77.3	77.4	80.0
PERCENT OF ELECTRIC OPERATING REVENUES:					
ELECTRIC OPERATION AND MAINTENANCE	53.7	56.8	58.6	60.6	63.7
ELECTRIC DEPRECIATION AND AMORTIZATION	5.9	5.1	5.2	5.4	5.0
TOTAL INCOME TAXES-ELECTRIC, OPERATING	8.8	8.3	6.9	5.4	4.4
OTHER TAXES-ELECTRIC, OPERATING	14.3	13.7	13.6	13.2	12.7
GAINS/LOSSES FROM DISP OF UTILITY PLANT	-	-	-	-	-
TOTAL ELECTRIC OPERATING EXPENSE	82.9	84.1	84.5	84.7	85.9
ELECTRIC OPERATING INCOME	17.0	15.8	15.4	15.2	14.0
ELEC.DEPR.+ AMORT.% OF ELEC. UTILITY PLANT	2.0	1.9	2.0	2.1	2.2
GAS OPERATING REVENUES:					
% OF TOTAL OPERATING REVENUES	18.6	19.2	19.7	19.2	16.5
PERCENT OF GAS OPERATING REVENUES:					
GAS OPERATION AND MAINTENANCE	76.0	77.0	79.0	79.3	78.0
GAS DEPRECIATION AND AMORTIZATION	2.9	2.6	2.4	2.6	2.7
TOTAL INCOME TAXES-GAS, OPERATING	3.0	3.1	2.2	2.5	1.5
OTHER TAXES-GAS, OPERATING	10.3	9.6	9.2	9.2	10.0
GAINS/LOSSES FROM DISP OF UTILITY PLANT	-	-	-	-	-
TOTAL GAS OPERATING EXPENSE	92.4	92.4	93.0	93.7	92.4
GAS OPERATING INCOME	7.5	7.5	6.9	6.2	7.5
GAS DEPR.+ AMORT.% OF GAS UTILITY PLANT	3.1	3.1	2.9	2.9	2.6
INTEREST EXPENSE:					
PERCENT OF OPERATING REVENUES	8.3	7.4	6.8	6.5	6.0
PRETAX INTEREST COVERAGE	3.4	3.4	3.4	3.2	3.1
NET INCOME-PERCENT OF OPERATING REVENUES	14.4	13.3	12.3	11.5	10.4
DIVIDEND APPROPRIATIONS, PREFERRED STOCK					
PERCENT OF OPERATING REVENUES	1.7	1.6	1.6	1.5	1.4
TIMES EARNED	8.4	8.0	7.7	7.6	7.2
DIVIDEND APPROPRIATIONS, COMMON STOCK:					
PERCENT OF OPERATING REVENUES	6.0	5.3	6.4	6.1	5.3
PERCENT OF EARNINGS AVAILABLE FOR COMMON	47.5	45.9	60.0	60.8	60.0
PERCENT OF AVERAGE COMMON EQUITY:					
EARNINGS AVAILABLE FOR COMMON STOCK	14.6	15.1	14.7	14.3	13.6
DIVIDEND APPROPRIATIONS, COMMON STOCK	6.9	6.9	8.8	8.7	8.1

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
TABLE 3. COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981	
ELECTRIC OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 3,504,067,277	$ 3,483,373,042	$ 3,279,767,299	$ 2,986,758,004	$ 2,836,251,132	1
COMMERCIAL AND INDUSTRIAL	5,675,506,987	5,664,247,63	5,316,537,253	4,956,332,985	4,792,775,392	2
PUBLIC STREET AND HIGHWAY LIGHTING	88,035,211	95,759,650	81,048,611	77,657,910	71,929,829	3
OTHER PUBLIC AUTHORITIES	206,575,994	200,319,147	185,621,123	171,561,620	170,002,210	4
RAILROADS AND RAILWAYS	6,993,059	9,541,856	12,803,428	13,331,428	19,538,416	5
INTERDEPARTMENTAL	2,066,045	1,882,938	1,786,816	2,228,141	2,091,963	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	9,483,244,573	9,445,124,264	8,877,564,530	8,207,870,086	7,892,588,942	7
RESALE	663,875,971	834,584,116	698,462,223	591,330,654	690,847,451	8
TOTAL REVENUES FROM ELECTRIC SALES	10,147,120,544	10,279,708,380	9,576,026,753	8,799,200,740	8,583,436,393	9
OTHER ELECTRIC OPERATING REVENUES	329,422,228	284,075,930	277,048,069	258,036,637	240,681,694	10
TOTAL ELECTRIC OPERATING REVENUES	$ 10,476,542,772	$ 10,563,784,310	$ 9,853,074,822	$ 9,057,237,377	$ 8,824,118,087	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	31,424,464	31,524,329	30,791,801	29,660,265	29,732,741	12
COMMERCIAL AND INDUSTRIAL	61,562,404	60,790,013	58,500,414	56,535,950	57,958,860	13
PUBLIC STREET AND HIGHWAY LIGHTING	606,331	617,684	627,158	641,028	650,504	14
OTHER PUBLIC AUTHORITIES	2,588,771	2,488,381	2,442,415	2,336,859	2,485,177	15
RAILROADS AND RAILWAYS	56,478	73,281	104,172	110,158	145,781	16
INTERDEPARTMENTAL	33,792	31,785	33,119	40,551	43,031	17
TOTAL SALES TO ULTIMATE CONSUMERS	96,272,241	95,525,474	92,498,878	89,324,811	91,016,094	18
RESALE	17,120,055	18,502,842	15,014,089	12,915,291	13,147,018	19
TOTAL KILOWATT-HOUR SALES	113,392,296	114,028,316	107,512,967	102,240,102	104,163,112	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	5,801,446	5,741,280	5,685,300	5,638,891	5,598,058	21
COMMERCIAL AND INDUSTRIAL	719,534	704,976	695,649	688,713	683,471	22
PUBLIC STREET AND HIGHWAY LIGHTING	9,409	9,190	8,989	9,295	9,269	23
OTHER PUBLIC AUTHORITIES	14,763	14,413	14,503	14,475	14,439	24
RAILROADS AND RAILWAYS	4	4	4	4	5	25
INTERDEPARTMENTAL	2	2	2	2	2	26
TOTAL ULTIMATE CONSUMERS	6,545,158	6,469,865	6,404,447	6,351,380	6,305,244	27
RESALE	185	183	185	192	194	28
TOTAL CUSTOMERS	6,545,343	6,470,048	6,404,632	6,351,572	6,305,438	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 604.00	$ 606.72	$ 576.89	$ 529.67	$ 506.65	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	5,417	5,491	5,416	5,260	5,311	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	11.15	11.05	10.65	10.07	9.54	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 7,887.75	$ 8,034.67	$ 7,642.56	$ 7,196.51	$ 7,012.40	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	85,559	86,230	84,095	82,089	84,801	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	9.22	9.32	9.09	8.77	8.27	35
ELECTRIC OPERATION AND MAINTENANCE EXPENSES						
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 2,257,648,148	$ 2,585,656,346	$ 2,570,890,615	$ 2,571,264,065	$ 2,837,189,525	36
OTHER	407,620,366	355,239,875	354,296,335	328,077,689	291,962,120	37
TOTAL STEAM POWER EXPENSES	2,665,268,514	2,940,896,221	2,925,186,950	2,899,341,754	3,129,151,645	38
NUCLEAR POWER						
FUEL	106,642,810	55,835,331	97,026,882	35,814,291	106,005,250	39
OTHER	108,027,192	156,306,617	102,382,860	119,715,411	103,731,507	40
TOTAL NUCLEAR POWER EXPENSES	214,670,002	212,141,948	199,409,742	155,529,702	209,736,757	41
HYDRAULIC POWER						
WATER FOR POWER	2,930,901	4,452,609	4,496,633	3,980,795	3,941,679	42
OTHER	15,336,907	15,468,673	14,502,518	14,899,189	11,464,955	43
TOTAL HYDRAULIC POWER EXPENSES	18,267,808	19,921,282	18,999,151	18,879,984	15,406,634	44
OTHER POWER GENERATION						
FUEL	33,059,629	45,744,260	32,614,292	26,682,734	61,763,659	45
OTHER	34,577,372	33,883,550	41,043,573	32,428,959	36,273,162	46
TOTAL OTHER POWER GENERATION EXPENSE	67,637,001	79,627,810	73,657,865	59,111,693	98,036,821	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	1,103,428,526	1,277,200,256	1,134,178,719	1,050,241,290	984,287,414	48
OTHER	19,101,581	15,797,538	14,625,569	13,579,380	12,368,410	49
TOTAL OTHER POWER SUPPLY EXPENSES	1,122,530,107	1,292,997,794	1,148,804,288	1,063,820,670	996,655,824	50
TOTAL POWER PRODUCTION EXPENSES	4,088,373,432	4,545,585,055	4,366,057,996	4,196,683,803	4,448,987,681	51
TRANSMISSION EXPENSES	162,973,709	154,010,796	140,892,610	125,812,204	113,554,955	52
DISTRIBUTION EXPENSES	436,532,011	403,424,190	407,140,423	371,998,823	334,627,146	53
CUSTOMER ACCOUNTS EXPENSES	250,832,209	253,701,200	241,131,720	232,289,289	215,276,457	54
SALES EXPENSES	30,057,251	32,881,617	31,117,832	25,096,283	21,859,513	55
ADMINISTRATIVE AND GENERAL	665,310,357	619,428,276	596,767,416	538,050,243	488,927,378	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 5,634,078,975	$ 6,009,031,134	$ 5,783,107,997	$ 5,489,930,645	$ 5,623,233,130	57
ELECTRIC UTILITY PLANT*						
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	$ 1,615,034	$ 230,476	$ 230,477	$ 230,297	$ 230,297	58
PRODUCTION PLANT						
STEAM	5,521,553,910	5,434,982,746	4,331,883,363	4,264,373,502	4,084,679,927	59
NUCLEAR	1,220,781,958	1,200,234,474	1,060,149,209	925,900,375	822,539,070	60
HYDRAULIC	361,613,477	332,157,378	304,562,103	232,606,426	224,079,579	61
OTHER	311,413,581	305,754,344	301,406,329	300,406,690	298,626,678	62
TRANSMISSION PLANT	3,338,549,353	3,230,488,895	3,123,493,733	2,999,161,357	2,839,512,882	63
DISTRIBUTION PLANT	7,704,140,429	7,287,832,983	6,984,392,248	6,729,439,814	6,420,903,345	64
GENERAL PLANT	211,248,239	178,047,889	154,228,749	156,399,988	233,874,710	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	4,379,670-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	1,042,653,152	920,592,253	861,345,467	733,855,382	656,379,055	68
TOTAL ELECTRIC PLANT IN SERVICE	19,713,569,133	18,890,321,438	17,111,691,678	16,342,373,811	15,595,445,873	69
PLANT LEASED TO OTHERS	1,108,341	1,108,341	105,000	105,000	105,000	70
PLANT HELD FOR FUTURE USE	37,640,686	36,392,644	35,943,405	34,152,888	34,153,235	71
CONSTRUCTION WORK IN PROGRESS	10,255,175,305	8,635,001,091	7,865,906,667	6,137,778,441	4,624,050,979	72
PLANT ACQUISITION ADJUSTMENTS	2,270,824	2,349,128	2,427,432	2,505,737	2,584,041	73
TOTAL ELECTRIC UTILITY PLANT	30,009,764,291	27,565,172,641	25,016,074,182	22,516,915,877	20,256,339,128	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	5,881,392,104	5,484,777,473	5,228,863,718	4,814,977,059	4,497,833,695	75
NET ELECTRIC UTILITY PLANT	$ 24,128,372,187	$ 22,080,395,168	$ 19,787,210,464	$ 17,701,938,818	$ 15,758,505,433	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 18,890,321,438	$ 17,111,691,679	$ 16,342,373,809	$ 15,595,445,873	$ 14,873,034,049	77
ADDITIONS	1,017,606,743	1,901,798,171	857,886,761	906,112,367	889,618,549	78
RETIREMENTS	193,439,904	121,581,485	118,460,545	159,441,622	121,354,654	79
TRANSFERS AND ADJUSTMENTS	919,142-	1,586,927-	29,891,653	257,193	45,862,071-	80
PLANT IN SERVICE END OF YEAR	$ 19,713,569,135	$ 18,890,321,437	$ 17,111,691,678	$ 16,342,373,811	$ 15,595,445,873	81

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK*
TABLE 4. COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ITEM	1985	1984	1983	1982	1981
		GAS OPERATING REVENUES			
REVENUES					
RESIDENTIAL	$ 1,270,798,753	$ 1,314,865,417	$ 1,297,991,434	$ 1,126,452,437	$ 949,344,032
COMMERCIAL AND INDUSTRIAL	991,173,897	1,031,002,993	995,869,137	932,759,294	725,051,858
OTHER SALES TO PUBLIC AUTHORITIES	72,985,045	83,953,528	86,211,002	67,852,104	57,551,210
INTERDEPARTMENTAL	83,856,648	124,439,634	97,015,456	78,479,231	65,684,939
TOTAL REVENUES FROM ULTIMATE CONSUMERS	2,418,814,343	2,554,261,572	2,477,087,029	2,205,543,086	1,797,632,039
RESALE	21,623,995	22,226,016	18,673,356	19,525,398	18,993,364
TOTAL REVENUES FROM SALES OF GAS	2,440,438,338	2,576,487,588	2,495,760,385	2,225,068,464	1,816,625,403
OTHER GAS OPERATING REVENUES	35,872,517	30,972,025	25,886,799	24,064,492	13,009,535
TOTAL GAS OPERATING REVENUES	2,476,310,855	2,607,459,613	2,521,647,184	2,249,132,956	1,829,634,938
GAS SALES(MCF)					
RESIDENTIAL	172,008,995	179,060,511	169,737,930	180,750,372	178,002,624
COMMERCIAL AND INDUSTRIAL	173,975,353	176,071,522	162,181,551	179,741,941	165,503,468
OTHER SALES TO PUBLIC AUTHORITIES	12,371,171	13,946,037	13,625,259	12,872,727	12,577,900
INTERDEPARTMENTAL	19,552,316	27,135,691	22,199,137	18,823,246	15,767,879
TOTAL SALES TO ULTIMATE CONSUMERS	377,905,836	396,213,764	367,743,879	392,188,290	371,851,875
RESALE	5,379,936	5,274,439	4,126,372	4,939,787	6,463,721
TOTAL GAS SALES	383,285,772	401,488,203	371,870,251	397,128,077	378,315,596
NUMBER OF CUSTOMERS(AVERAGE PER MONTH)					
RESIDENTIAL	2,172,952	2,160,881	2,150,475	2,143,603	2,134,503
COMMERCIAL AND INDUSTRIAL	196,735	192,780	189,782	186,632	182,383
OTHER SALES TO PUBLIC AUTHORITIES	3,856	3,741	3,719	3,646	3,923
INTERDEPARTMENTAL	2	2	2	2	2
TOTAL ULTIMATE CONSUMERS	2,373,545	2,357,404	2,343,978	2,333,883	2,320,811
RESALE	5	5	5	6	8
TOTAL CUSTOMERS	2,373,550	2,357,409	2,343,983	2,333,889	2,320,819
GAS OPERATING REVENUE RELATIONSHIPS					
RESIDENTIAL SALES					
AVERAGE ANNUAL BILL PER CUSTOMER	$ 584.83	$ 608.49	$ 603.58	$ 525.49	$ 444.76
AVERAGE MCF CONSUMPTION PER CUSTOMER	79.2	82.9	78.9	84.3	83.4
AVERAGE REVENUE PER MCF SOLD	$ 7.38	$ 7.34	$ 7.65	$ 6.23	$ 5.33
COMMERCIAL AND INDUSTRIAL SALES					
AVERAGE ANNUAL BILL PER CUSTOMER	$ 5,038.12	$ 5,348.08	$ 5,247.44	$ 4,997.85	$ 3,975.44
AVERAGE MCF CONSUMPTION PER CUSTOMER	884.3	913.3	854.6	963.1	907.5
AVERAGE REVENUE PER MCF SOLD	$ 5.70	$ 5.86	$ 6.14	$ 5.19	$ 4.38
		GAS OPERATION AND MAINTENANCE EXPENSES			
PRODUCTION EXPENSES					
MANUFACTURED GAS					
STEAM	$ 144,399	$ 165,470	$ 215,919	$ 209,368	$ 174,156
MANUFACTURED GAS	1,736,230	1,237,637	1,304,260	2,490,799	1,422,306
NATURAL GAS					
PRODUCTION AND GATHERING	48,045	78,121	86,610	86,305	135,824
OTHER GAS SUPPLY EXPENSES					
PURCHASED GAS	1,897,781,438	2,102,731,764	2,000,748,348	1,896,950,202	1,484,915,224
OTHER	387,355,648-	487,561,723-	366,887,940-	452,858,543-	372,763,097-
TOTAL PRODUCTION EXPENSES	1,512,333,466	1,616,651,269	1,635,465,197	1,446,878,131	1,113,884,413
NATURAL GAS STORAGE EXPENSES					
UNDERGROUND STORAGE EXPENSES	1,763,251	1,779,794	1,778,837	1,713,901	1,209,505
OTHER STORAGE EXPENSES	4,713,287	4,493,514	4,197,491	4,599,265	3,603,050
TOTAL NATURAL GAS STORAGE EXPENSES	6,476,538	6,273,308	5,976,328	6,313,166	4,812,555
TRANSMISSION EXPENSES	13,091,199	7,342,637	6,657,722	5,884,587	5,488,689
DISTRIBUTION EXPENSES	168,140,524	158,011,384	157,289,981	150,781,640	148,365,146
CUSTOMER ACCOUNTS EXPENSES	66,950,759	68,588,697	65,728,097	62,899,184	56,398,592
SALES EXPENSES	10,484,161	10,994,009	9,388,053	8,549,173	8,301,725
ADMINISTRATIVE AND GENERAL EXPENSES	106,256,470	139,925,131	112,294,367	102,523,681	90,257,171
TOTAL GAS OPERATION&MAINTENANCE EXPENSES	$ 1,883,733,122	$ 2,007,786,443	$ 1,992,799,745	$ 1,783,829,562	$ 1,428,108,291
		GAS UTILITY PLANT**			
GAS UTILITY PLANT					
GAS PLANT IN SERVICE					
INTANGIBLE PLANT	$ 65,772	$ 65,772	$ 65,772	$ 65,772	$ 65,772
PRODUCTION PLANT					
MANUFACTURED GAS PLANT	14,783,551	13,411,723	13,257,766	12,995,549	13,091,758
NATURAL GAS PLANT	6,333,025	6,705,409	7,358,893	8,117,055	9,598,078
NATURAL GAS STORAGE PLANT					
UNDERGROUND STORAGE PLANT	-	-	-	-	-
OTHER STORAGE PLANT	48,181,582	47,880,076	47,839,548	47,459,232	47,111,364
TRANSMISSION PLANT	84,591,521	81,163,718	78,897,723	74,638,010	72,785,038
DISTRIBUTION PLANT	2,069,400,107	1,961,268,730	1,889,523,522	1,773,590,937	1,657,690,734
GENERAL PLANT	23,994,732	22,894,160	22,160,605	22,755,746	20,151,305
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
GAS PLANT STORED UNDERGROUND-NONCURR	1,993,381	1,993,381	1,993,381	1,993,381	1,993,381
TOTAL GAS PLANT IN SERVICE	2,249,343,671	2,135,382,969	2,041,097,210	1,941,615,682	1,822,487,420
PLANT LEASED TO OTHERS	-	-	-	-	-
PLANT HELD FOR FUTURE USE	47,252	43,917	43,917	41,088	38,701
CONSTRUCTION WORK IN PROGRESS	43,930,480	41,407,266	42,149,121	43,108,501	51,572,051
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
TOTAL GAS UTILITY PLANT	2,293,321,402	2,176,834,152	2,083,290,248	1,984,765,271	1,874,099,172
ACCUMULATED PROVISION FOR DEPR + AMORT	596,565,048	546,898,720	499,005,810	458,788,717	420,815,927
NET GAS UTILITY PLANT	$ 1,696,756,354	$ 1,629,935,432	$ 1,584,284,438	$ 1,525,976,554	$ 1,453,283,245
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,135,382,969	$ 2,041,097,210	$ 1,941,615,682	$ 1,822,487,423	$ 1,681,331,979
ADDITIONS	126,475,279	106,897,857	112,099,293	131,921,518	147,622,455
RETIREMENTS	11,712,484	12,395,014	12,171,802	11,981,703	10,241,424
TRANSFERS AND ADJUSTMENTS	802,093-	217,084-	445,963-	801,557-	3,774,410
PLANT IN SERVICE END OF YEAR	$ 2,249,343,670	$ 2,135,382,969	$ 2,041,097,210	$ 1,941,615,682	$ 1,822,487,420

*THIS TABLE INCLUDES GAS DATA FOR COMBINATION COMPANIES ONLY. SEE TABLE 11 FOR SIMILAR DATA ON STRAIGHT GAS COMPANIES.

**EXCLUDES ALLOCATION OF COMMON PLANT.

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
TABLE 5. DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS
YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981
REVENUES - ULTIMATE CONSUMERS	$ 9,812,666,800	$ 9,729,200,194	$ 9,154,612,599	$ 8,465,906,723	$ 8,133,270,636
SALES-ULTIMATE CONSUMERS (000 KWH)	96,272,241	95,525,474	92,498,878	89,324,811	91,016,094
			DOLLAR AMOUNTS		
FUEL AND PURCHASED POWER	$ 2,967,417,986	$ 3,290,746,303	$ 3,264,469,395	$ 3,185,499,179	$ 3,441,964,694
WAGES AND BENEFITS	1,271,179,486	1,218,038,579	1,139,513,210	1,074,852,767	977,154,386
OTHER OPERATION AND MAINTENANCE EXPENSES	841,780,016	802,882,625	788,789,054	714,170,076	638,992,727
DEPRECIATION AND AMORTIZATION EXPENSES	621,977,713	547,465,118	514,884,206	492,225,297	447,180,368
INCOME TAXES - OPERATING	928,950,019	879,686,943	686,355,852	495,246,604	391,032,881
OTHER TAXES - OPERATING	1,505,065,414	1,450,201,961	1,347,230,587	1,202,660,236	1,123,927,784
*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	669,640,588	586,069,092	529,874,235	507,135,793	459,024,095
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	127,613,788	129,570,414	116,476,851	112,095,671	108,853,895
EARNINGS AVAILABLE FOR COMMON EQUITY	879,041,790	824,559,171	766,019,629	682,021,100	545,139,806
TOTAL	$ 9,812,666,800	$ 9,729,200,194	$ 9,154,612,599	$ 8,465,906,723	$ 8,133,270,636
			PERCENT OF REVENUES - ULTIMATE CONSUMERS		
FUEL AND PURCHASED POWER	30.2	33.8	35.7	37.6	42.3
WAGES AND BENEFITS	13.0	12.5	12.4	12.7	12.0
OTHER OPERATION AND MAINTENANCE EXPENSES	8.6	8.3	8.6	8.4	7.9
DEPRECIATION AND AMORTIZATION EXPENSES	6.3	5.6	5.6	5.8	5.5
INCOME TAXES - OPERATING	9.5	9.0	7.5	5.8	4.8
OTHER TAXES - OPERATING	15.3	14.9	14.7	14.2	13.8
*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	6.8	6.0	5.8	6.0	5.6
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.3	1.3	1.3	1.3	1.3
EARNINGS AVAILABLE FOR COMMON EQUITY	9.0	8.5	8.4	8.1	6.7
TOTAL	100.0	100.0	100.0	100.0	100.0
			CENTS PER KWH		
FUEL AND PURCHASED POWER	3.08	3.44	3.52	3.57	3.78
WAGES AND BENEFITS	1.32	1.28	1.23	1.20	1.07
OTHER OPERATION AND MAINTENANCE EXPENSES	0.87	0.84	0.85	0.80	0.70
DEPRECIATION AND AMORTIZATION EXPENSES	0.65	0.57	0.56	0.55	0.49
INCOME TAXES - OPERATING	0.96	0.92	0.74	0.55	0.43
OTHER TAXES - OPERATING	1.56	1.52	1.46	1.35	1.23
*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	0.70	0.61	0.57	0.57	0.50
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.13	0.14	0.13	0.13	0.12
EARNINGS AVAILABLE FOR COMMON EQUITY	0.91	0.86	0.83	0.76	0.60
TOTAL	10.19	10.18	9.90	9.48	8.94
* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS:	92.73	92.34	91.74	91.14	90.54

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK**
TABLE 6. DISTRIBUTION OF GAS REVENUES
YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981
REVENUES	$ 2,476,310,855	$ 2,607,459,612	$ 2,521,647,184	$ 2,249,132,956	$ 1,829,634,938
SALES (MCF)	383,285,772	401,488,203	371,870,251	397,128,077	378,315,596
			DOLLAR AMOUNTS		
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 1,510,405,791	$ 1,615,170,041	$ 1,633,858,408	$ 1,444,081,859	$ 1,112,152,127
WAGES AND BENEFITS	242,451,402	251,320,190	238,834,565	224,786,028	206,723,102
OTHER OPERATION AND MAINTENANCE EXPENSES	130,875,929	141,296,212	122,106,772	114,949,875	109,233,082
DEPRECIATION AND AMORTIZATION EXPENSES	72,511,441	68,873,854	61,881,387	59,230,912	49,902,511
INCOME TAXES - OPERATING	76,205,034	82,286,262	57,026,729	56,456,683	29,158,530
OTHER TAXES - OPERATING	257,380,592	250,672,970	234,163,037	208,624,257	184,108,007
*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	76,019,329	73,646,376	67,741,684	64,647,314	56,419,461
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	13,573,685	14,275,500	14,986,399	12,989,501	12,082,048
EARNINGS AVAILABLE FOR COMMON EQUITY	96,907,674	109,938,207	93,058,243	63,354,747	69,856,106
TOTAL	$ 2,476,310,855	$ 2,607,459,612	$ 2,521,647,184	$ 2,249,132,956	$ 1,829,634,938
			PERCENT OF REVENUES		
PURCHASED GAS & OTHER SUPPLY EXPENSE	61.0	61.9	64.8	64.2	60.8
WAGES AND BENEFITS	9.8	9.6	9.4	10.0	11.3
OTHER OPERATION AND MAINTENANCE EXPENSES	5.3	5.4	4.8	5.1	6.0
DEPRECIATION AND AMORTIZATION EXPENSES	2.9	2.6	2.5	2.6	2.7
INCOME TAXES - OPERATING	3.1	3.2	2.3	2.5	1.6
OTHER TAXES - OPERATING	10.4	9.6	9.3	9.3	10.1
*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	3.1	2.8	2.7	2.9	3.1
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.5	0.5	0.6	0.6	0.7
EARNINGS AVAILABLE FOR COMMON EQUITY	3.9	4.2	3.7	2.8	3.8
TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER MCF		
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.94	$ 4.02	$ 4.39	$ 3.64	$ 2.94
WAGES AND BENEFITS	0.63	0.63	0.64	0.57	0.55
OTHER OPERATION AND MAINTENANCE EXPENSES	0.34	0.35	0.33	0.29	0.29
DEPRECIATION AND AMORTIZATION EXPENSES	0.19	0.17	0.17	0.15	0.13
INCOME TAXES - OPERATING	0.20	0.20	0.15	0.14	0.08
OTHER TAXES - OPERATING	0.67	0.62	0.63	0.53	0.49
*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.20	0.18	0.18	0.16	0.15
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.04	0.04	0.04	0.03	0.03
EARNINGS AVAILABLE FOR COMMON EQUITY	0.25	0.27	0.25	0.16	0.18
TOTAL	$ 6.46	$ 6.49	$ 6.78	$ 5.66	$ 4.84
*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	6.92	6.82	7.35	7.66	8.35

**THIS TABLE INCLUDES GAS DATA FOR COMBINATION COMPANIES ONLY. SEE TABLE 12 FOR SIMILAR DATA ON STRAIGHT GAS COMPANIES

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK*
TABLE 7 STATEMENT OF CHANGES IN FINANCIAL POSITION
YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981
FUNDS PROVIDED					
INTERNAL SOURCES:					
INCOME BEFORE EXTRAORDINARY ITEMS	$ 1,915,780,576	$ 1,812,342,871	$ 1,572,483,678	$ 1,355,068,847	$ 1,149,568,150
NON-CASH CHARGES(CREDITS) TO INCOME					
DEPRECIATION, DEPLETION, AND AMORTIZATION	781,723,190	671,123,587	647,503,908	609,268,020	553,772,904
DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	509,500,520	455,090,864	244,186,598	243,304,111	151,899,401
INTEREST CAPITALIZED	739,204,440-	670,107,354-	564,156,170-	414,336,328-	304,942,743
OTHER (NET):	54,221,698	55,134,881	38,521,987	15,473,182	96,958,017
TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	2,522,021,544	2,323,584,849	1,938,540,001	1,808,777,833	1,647,255,729
EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
TOTAL FUNDS FROM INTERNAL SOURCES	2,522,021,544	2,323,584,849	1,938,540,001	1,808,777,833	1,647,255,729
LESS DIVIDENDS: PREFERRED	143,074,197	191,984,216	204,132,141	178,672,757	180,577,432
COMMON	803,370,096	728,151,739	822,185,511	707,256,767	567,371,672
NET FUNDS FROM INTERNAL SOURCES	1,575,577,251	1,403,448,694	912,222,349	922,848,309	899,306,625
EXTERNAL SOURCES:					
LONG TERM DEBT	1,744,268,610	1,162,657,451	1,240,163,613	980,480,519	726,661,139
PREFERRED STOCK	75,000,000	50,000,000	356,768,990	96,120,614	183,398,645
COMMON STOCK	315,218,931	372,413,549	508,747,966	633,461,464	342,232,525
NET INCREASE IN SHORT TERM DEBT	62,700,000	-	33,750,000	117,550,000	36,330,000
OTHER (NET):	59,823,279-	38,265,878-	178,590,669	152,710,074	87,893,715
TOTAL FUNDS FROM EXTERNAL SOURCES	2,137,364,262	1,546,805,122	2,318,021,238	1,980,322,671	1,376,516,024
OTHER SOURCES (NET):	177,458,580	320,184,750	100,789,942	137,823,117	251,331,027
TOTAL FUNDS PROVIDED	$ 3,890,400,093	$ 3,270,438,566	$ 3,331,033,529	$ 3,040,994,097	$ 2,527,153,676
FUNDS APPLIED					
CONSTRUCTION EXPENDITURES					
GROSS ADDITIONS:					
ELECTRIC PLANT	$ 1,020,060,809	$ 1,122,985,926	$ 1,160,216,875	$ 1,280,812,691	$ 879,093,958
NUCLEAR PLANT	1,601,988,770	1,651,372,564	1,255,066,348	1,107,280,354	808,961,807
NUCLEAR FUEL	156,873,357	69,316,154	70,372,912	68,493,339	36,407,711
GAS PLANT	125,965,305	123,370,797	118,075,503	129,281,928	148,772,226
LIQUEFIED NATURAL GAS PLANT	803,265	379,441	716,989	587,464	442,974
STEAM PLANT	8,033,493	8,743,018	7,991,762	6,990,686	7,015,350
NON-UTILITY PLANT	17,951	34,625	-	2,164	13,699
OTHER	38,314,182	25,153,229	221,816,963	202,620,728	130,202,658
TOTAL GROSS ADDITIONS	2,951,857,132	3,001,335,754	2,834,257,352	2,776,049,554	2,010,910,383
LESS INTEREST CAPITALIZED	739,204,440	670,107,354	564,156,170	414,336,328	304,942,743
TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	2,212,652,692	2,331,228,400	2,270,101,182	2,361,713,226	1,705,967,640
RETIREMENT OF DEBT AND SECURITIES					
LONG TERM DEBT	714,838,639	214,459,662	368,616,119	388,509,614	432,855,607
PREFERRED STOCK	49,639,723	57,586,007	31,916,370	35,163,372	24,918,315
REDEMPTION OF CAPITAL STOCK	289,337,811	-	-	-	-
NET DECREASE IN SHORT TERM DEBT	46,050,000	101,200,000	57,900,000	15,000,000	169,021,297
OTHER (NET):	28,000,000	-	-	-	-
TOTAL RETIREMENT OF DEBT AND SECURITIES	1,127,866,173	373,245,669	458,432,489	438,672,986	626,795,219
OTHER USES (NET):	549,881,228	565,964,507	602,499,858	240,607,885	194,390,817
TOTAL FUNDS APPLIED	$ 3,890,400,093	$ 3,270,438,566	$ 3,331,033,529	$ 3,040,994,097	$ 2,527,153,676

*THIS TABLE INCLUDES DATA FOR COMBINATION COMPANIES ONLY. SEE TABLE 10 FOR SIMILAR DATA ON STRAIGHT GAS COMPANIES

Straight Gas Companies

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MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK*
TABLE 8. COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981
ASSETS AND OTHER DEBITS					
GAS UTILITY PLANT	$ 1,545,582,874	$ 1,433,910,484	$ 1,340,147,994	$ 1,256,431,093	$ 1,184,136,221
ACCUMULATED PROVISION FOR DEPR. AND AMORT.	365,882,311	336,993,501	310,236,707	286,829,793	268,044,588
NET GAS UTILITY PLANT	1,179,700,563	1,096,916,983	1,029,911,287	969,601,300	916,091,633
OTHER UTILITY PLANT		-	-		
ACCUMULATED PROVISION FOR DEPR. AND AMORT.		-	-		
NET OTHER UTILITY PLANT			-		
TOTAL UTILITY PLANT	1,545,582,874	1,433,910,484	1,340,147,994	1,256,431,093	1,184,136,221
ACCUMULATED PROVISION FOR DEPR. AND AMORT.	365,882,311	336,993,501	310,236,707	286,829,793	268,044,588
NET TOTAL UTILITY PLANT	1,179,700,563	1,096,916,983	1,029,911,281	969,601,300	916,091,633
NONUTILITY PROPERTY LESS ACCUMULATED PROV. FOR DEPRECIATION AND AMORTIZATION	1,495,116	1,751,946	1,255,509	1,139,492	1,051,618
INVESTMENT IN ASSOCIATED COMPANIES		-	-		
INVESTMENT IN SUBSIDIARY COMPANIES	35,747,423	34,622,932	33,255,238	26,946,553	23,402,784
OTHER INVESTMENTS	998,326	779,427	783,966	666,956	398,774
SPECIAL FUNDS	425	425	425	206,295	256,388
TOTAL OTHER PROPERTY AND INVESTMENTS	38,241,289	37,154,730	35,295,138	28,949,307	25,110,514
CASH	15,359,561	12,384,622	8,739,816	8,322,140	13,958,844
SPECIAL DEPOSITS	3,887,801	3,365,824	3,187,651	3,001,213	2,712,233
WORKING FUNDS	666,711	586,567	524,735	570,785	479,272
TEMPORARY CASH INVESTMENTS	25,232,606	2,067,395	1,561,357		10,876,828
NOTES AND ACCOUNTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	104,465,477	115,156,954	147,439,392	126,089,109	117,668,721
RECEIVABLES FROM ASSOCIATED COMPANIES	1,661,675	1,596,144	1,624,782	944,920	876,300
MATERIALS AND SUPPLIES	23,264,220	27,261,158	26,067,274	27,176,317	29,437,474
GAS STORED UNDERGROUND-CURRENT	3,936,873	3,682,098	3,749,012	2,534,001	733,300
LIQUEFIED NATURAL GAS IN STORAGE	6,191,923	5,682,831	4,923,790	4,471,286	3,646,111
PREPAYMENTS	110,582,139	107,902,691	109,746,873	126,750,266	98,991,412
OTHER CURRENT AND ACCRUED ASSETS	142,206,569	117,547,339	132,365,614	100,363,149	101,812,149
TOTAL CURRENT AND ACCRUED ASSETS	437,426,555	397,232,623	441,500,296	398,822,786	381,200,644
UNAMORTIZED DEBT EXPENSE	7,724,906	3,277,362	3,589,739	1,907,946	2,163,906
EXTRAORDINARY PROPERTY LOSSES	-	-			
PRELIMINARY SURVEY & INVESTIGATION CHARGES	330,235	342,332	111,173	378,944	333,868
CLEARING ACCOUNTS	822,596	805,410	340,306	573,019	1,913,576
DEFERRED LOSSES FROM DISP. OF UTILITY PLT.	-	-			
RESEARCH AND DEVELOPMENT	1,446,931-	938,571-	273,305	520,377	372,478
ACCUMULATED DEFERRED INCOME TAXES	1,992,979	3,767,279	3,291,560	1,534,148	112,533
OTHER DEFERRED DEBITS	60,669,193	46,724,555	83,386,360	101,879,826	25,154,352
TOTAL DEFERRED DEBITS	70,092,978	53,978,367	90,945,833	106,794,260	29,366,459
TOTAL ASSETS AND OTHER DEBITS	$ 1,725,461,385	$ 1,585,282,703	$ 1,597,552,555	$ 1,504,187,647	$ 1,351,828,250
LIABILITIES AND OTHER CREDITS					
COMMON STOCK ISSUED	$ 80,323,391	$ 79,585,915	$ 79,418,002	$ 77,632,916	$ 76,810,149
PREFERRED STOCK ISSUED	77,284,225	78,884,225	80,484,225	82,084,225	83,684,225
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
PREMIUM ON CAPITAL STOCK	125,213,962	109,338,987	95,881,104	57,212,171	49,566,999
OTHER PAID-IN CAPITAL	65,854,510	65,723,370	65,481,675	65,393,006	65,373,088
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
CAPITAL STOCK EXPENSE	12,723-	12,723-	12,723-	12,723-	12,723-
RETAINED EARNINGS	315,779,946	292,175,274	262,407,158	236,461,229	216,791,610
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	1,939,325-	1,579,238-	2,371,933-	1,712,614-	2,080,857-
REACQUIRED CAPITAL STOCK	1,149,125-	1,725,700-	2,150,850-	3,061,850-	3,597,061-
TOTAL PROPRIETARY CAPITAL	661,354,867	622,690,110	579,136,665	513,998,361	485,226,407
BONDS (LESS BONDS REACQUIRED)	338,443,260	265,091,300	245,417,322	240,635,000	244,925,000
ADVANCES FROM ASSOCIATED COMPANIES	158,201,314	162,246,821	187,390,528	152,806,168	157,938,808
OTHER LONG-TERM DEBT	3,477,187	3,955,496	3,958,047	4,456,903	4,955,041
NET UNAMORTIZED PREMIUM AND DISCOUNT	958,754-	1,079,061-	1,250,416-	860,499-	1,018,880-
TOTAL LONG-TERM DEBT	491,163,007	430,214,556	435,515,481	397,037,572	406,801,969
NOTES PAYABLE	700,000	47,654,265	75,001,755	93,400,863	40,985,732
ACCOUNTS PAYABLE	80,529,954	72,070,444	82,764,637	81,201,864	79,062,729
PAYABLES TO ASSOCIATED COMPANIES	197,914,306	127,781,238	141,700,394	193,554,471	110,345,119
CUSTOMER DEPOSITS	18,142,128	15,714,494	14,263,803	12,723,657	11,414,997
TAXES ACCRUED	16,887,781	22,865,882	33,283,953	9,843,810	31,274,901
INTEREST ACCRUED	10,719,656	9,492,346	8,836,717	8,323,764	9,779,896
DIVIDENDS DECLARED	13,860,660	11,716,285	10,269,614	8,872,565	8,238,190
TAX COLLECTIONS PAYABLE	7,375,024	7,601,936	8,119,730	7,136,747	7,536,633
OTHER CURRENT AND ACCRUED LIABILITIES	54,442,698	77,433,913	65,865,733	57,248,566	87,383,292
TOTAL CURRENT AND ACCRUED LIABILITIES	402,573,107	393,330,803	440,106,336	473,306,307	382,119,989
CUSTOMER ADVANCES FOR CONSTRUCTION	1,104,142	1,002,428	966,730	557,610	566,540
DEFERRED GAINS FROM DISP. OF UTILITY PLT.	-	-	-	-	-
ACCUM. DEFERRED INVESTMENT TAX CREDITS	51,524,549	44,423,966	36,768,813	29,884,434	23,281,879
OTHER DEFERRED CREDITS	8,074,731	8,772,285	6,020,952	4,984,291	6,112,376
ACCUMULATED DEFERRED INCOME TAXES					
ACCELERATED AMORTIZATION	490,713	-	-	-	-
LIBERALIZED DEPRECIATION	68,919,131	56,085,074	44,131,082	34,267,555	26,049,607
OTHER	30,587,282	25,347,569	51,633,289	47,333,451	19,025,427
TOTAL DEFERRED CREDITS	160,700,548	135,631,320	139,522,866	117,027,341	75,135,778
PROPERTY INSURANCE RESERVE	-	-	-	-	-
INJURIES AND DAMAGES RESERVE	2,928,397	2,723,067	2,688,420	2,264,018	2,077,313
PENSIONS AND BENEFITS RESERVE	44,436	44,000	-	-	-
MISCELLANEOUS OPERATING RESERVE	697,028	648,847	582,797	534,049	466,794
TOTAL OPERATING RESERVES	3,669,861	3,415,914	3,271,217	2,798,067	2,543,107
TOTAL LIABILITIES AND OTHER CREDITS	$ 1,725,461,385	$ 1,585,282,703	$ 1,597,552,555	$ 1,504,187,648	$ 1,351,828,250

*DOES NOT INCLUDE UTILITIES THAT PROVIDE BOTH ELECTRIC AND GAS SERVICE

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK*
TABLE 9 COMPARATIVE INCOME STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981
COMPARATIVE INCOME STATEMENTS					
GAS UTILITY OPERATING INCOME					
OPERATING REVENUES	$ 2,061,055,631	$ 2,155,454,865	$ 2,129,460,050	$ 1,968,337,051	$ 1,756,968,138
OPERATION AND MAINTENANCE EXPENSE	1,644,550,627	1,743,456,100	1,750,051,917	1,626,791,786	1,463,213,909
DEPRECIATION EXPENSE	38,573,633	36,202,815	33,593,333	30,411,089	28,598,847
AMORTIZATION	775,202	1,400,604	1,228,766	2,016,334	2,176,692
TAXES OTHER THAN INCOME TAXES-OPERATING	189,340,536	189,133,071	179,190,653	160,315,174	143,681,272
INCOME TAXES-OPERATING	54,623,821	52,327,584	41,522,249	36,294,294	22,109,031
GAINS/LOSSES FROM DISP. OF UTILITY PLT	-				
TOTAL OPERATING EXPENSES	1,927,863,817	2,022,520,177	2,005,586,918	1,855,828,628	1,659,559,750
NET OPERATING REVENUES	133,191,814	132,934,688	123,873,132	112,508,423	97,408,388
INCOME FROM GAS PLANT LEASED TO OTHERS					-
GAS UTILITY OPERATING INCOME	133,191,814	132,934,688	123,873,132	112,508,423	97,408,388
OTHER UTILITY OPERATING INCOME				-	-
TOTAL UTILITY OPERATING INCOME	133,191,814	132,934,688	123,873,132	112,508,423	97,408,388
OTHER INCOME					
INC. FROM MDSE, JOBBING, & CONTRACT WORK	4,831-	42,100	116,974	216,444-	282,184-
INCOME FROM NONUTILITY OPERATIONS	-	-		-	-
NONOPERATING RENTAL INCOME	207,851	240,075	293,276	742,258	236,190
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	231,199-	916,582	552,432	442,576	309,097
INTEREST AND DIVIDEND INCOME	6,054,398	6,980,619	4,744,809	2,994,267	3,858,252
ALLOWANCE FOR CONSTRUCTION FUNDS	1,728,686	1,165,817	1,260,665	1,293,109	781,424
MISCELLANEOUS NONOPERATING INCOME	706,469	835,875	1,496,264	1,031,573	1,154,448
GAIN ON DISPOSITION OF PROPERTY	-	27,572	14,990	115	714,328
TOTAL OTHER INCOME	8,461,368	10,208,640	7,050,598	5,787,453	6,771,566
TOTAL INCOME	141,653,182	143,143,328	130,923,730	118,295,876	104,179,943
INCOME DEDUCTIONS					
TAXES OTHER THAN INCOME TAXES-NONOP	217,091	414,454	315,455	65,462	280,622
INCOME TAXES-NONOPERATING	225,755	1,202,818	731,874	155,522-	842,622-
LOSS ON DISPOSITION OF PROPERTY	-	5,258	8,287	3,229	2,356
MISCELLANEOUS AMORTIZATION	-		6,135	-	-
MISCELLANEOUS INCOME DEDUCTIONS	2,305,327	1,635,455	988,906	910,523	139,190
TOTAL INCOME DEDUCTIONS	2,748,173	3,257,985	2,050,657	823,692	579,546
INCOME BEFORE INTEREST CHARGES	138,905,009	139,885,343	128,873,073	117,472,184	103,600,397
INTEREST CHARGES					
INTEREST ON LONG-TERM DEBT	28,730,677	25,949,140	23,976,727	24,044,565	17,829,719
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	504,778	497,457	473,729	421,738	244,746
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	32,110	32,412-	33,875-	35,975-	36,517-
INTEREST ON DEBT TO ASSOCIATED COMPANIES	19,458,793	17,885,813	18,952,241	17,337,438	17,050,932
OTHER INTEREST EXPENSE	7,183,315	11,149,319	12,104,414	12,365,412	11,576,734
TOTAL INTEREST CHARGES	55,845,403	55,449,317	55,472,236	54,133,175	46,665,614
INCOME BEFORE EXTRAORDINARY ITEMS	83,059,606	84,436,026	73,400,837	63,339,009	56,934,783
EXTRAORDINARY ITEMS					
EXTRAORDINARY INCOME			-		
EXTRAORDINARY DEDUCTIONS					
INCOME TAXES, EXTRAORDINARY ITEMS		-	-	-	
TOTAL EXTRAORDINARY ITEMS				-	
NET INCOME	$ 83,059,606	$ 84,436,026	$ 73,400,837	$ 63,339,009	$ 56,934,783
DIVIDENDS DECLARED-PREFERRED STOCK	$ 7,862,308	$ 7,957,531	$ 8,059,042	$ 8,085,837	$ 7,817,093
-COMMON STOCK	51,927,921	45,872,564	39,843,430	34,162,750	31,199,880
SELECTED BALANCE SHEET RELATIONSHIPS					
GAS UTILITY PLANT/ DOLLAR OF GAS REVENUE	0.72	0.64	0.61	0.62	0.66
OTHER UTILITY PLT/DOLLAR OF OTHER REVENUE		-	-		
TOTAL UTILITY PLT/DOLLAR OF TOTAL REVENUE	0.72	0.64	0.61	0.62	0.66
CURRENT ASSETS / BY CURRENT LIABILITIES	1.09	1.01	1.00	0.84	1.00
PERCENT OF CAPITALIZATION					
LONG-TERM DEBT	42.9	40.8	42.9	43.5	45.6
PREFERRED STOCK	6.8	7.4	7.9	9.2	7.3
COMMON STOCK AND OTHER PAID-IN CAPITAL	23.1	23.8	23.2	21.4	22.8
RETAINED EARNINGS	27.2	27.7	25.8	25.9	24.3
LONG-TERM DEBT % OF GROSS UTILITY PLANT	32.1	30.0	32.4	31.6	34.3
% OF NET UTILITY PLANT	42.1	39.7	42.2	40.9	44.4
ACCUMULATED PROV FOR DEPR % OF UTILITY PLT	23.6	23.5	23.1	22.8	22.6
SELECTED INCOME ACCOUNT RELATIONSHIPS					
PERCENT OF GAS OPERATING REVENUES					
GAS OPERATION AND MAINTENANCE	79.7	80.8	82.2	82.6	83.2
GAS DEPRECIATION AND AMORTIZATION	1.9	1.7	1.6	1.6	1.7
TOTAL INCOME TAXES-GAS, OPERATING	2.6	2.4	1.9	1.8	1.2
OTHER TAXES-GAS, OPERATING	9.2	8.7	8.4	8.1	8.2
GAINS/LOSSES FROM DISP. OF UTILITY PLANT					
TOTAL GAS OPERATING EXPENSE	93.5	93.8	94	94.3	94.4
GAS OPERATING INCOME	6.4	6.2	5.8	5.7	5.5
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	2.8	2.6	2.4	2.6	2.5
INTEREST EXPENSE					
PERCENT OF OPERATING REVENUES	2.7	2.6	2.6	2.8	2.7
PRETAX INTEREST COVERAGE	3.5	3.5	[illegible]	2.8	[illegible]
NET INCOME-PERCENT OF OPERATING REVENUES	4.0	3.9	3.4	3.2	3.2
DIVIDEND APPROPRIATIONS, PREFERRED STOCK					
PERCENT OF OPERATING REVENUES	0.3	0.3	0.3	0.4	0.3
TIMES EARNED	10.6	10.6	9.1	7.8	9.8
DIVIDEND APPROPRIATIONS, COMMON STOCK					
PERCENT OF OPERATING REVENUES	2.5	2.1	1.8	1.7	1.8
PERCENT OF EARNINGS AVAILABLE FOR COMMON	69.0	59.9	60.9	61.8	64.9
PERCENT OF AVERAGE COMMON EQUITY					
EARNINGS AVAILABLE FOR COMMON STOCK	13.3	14.6	14.0	13.2	13.0
DIVIDEND APPROPRIATIONS, COMMON STOCK	9.2	8.8	8.5	8.1	8.5

*DOES NOT INCLUDE UTILITIES THAT PROVIDE BOTH ELECTRIC AND GAS SERVICE

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK*
TABLE 10 STATEMENT OF CHANGES IN FINANCIAL POSITION
YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981
FUNDS PROVIDED					
INTERNAL SOURCES					
INCOME BEFORE EXTRAORDINARY ITEMS	$ 83,059,606	$ 84,436,028	$ 73,400,838	$ 63,339,009	$ 56,934,781
NON-CASH CHARGES(CREDITS) TO INCOME					
DEPRECIATION, DEPLETION, AND AMORTIZATION	41,791,228	39,206,469	35,813,071	33,154,424	31,703,108
DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	27,829,888	7,026,033-	19,900,277	41,999,200	4,798,475
INTEREST CAPITALIZED	1,728,686-	1,165,817-	1,260,665-	1,293,109-	781,424-
OTHER (NET)	258,892	36,000	460,581	99,800	66,784
TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	151,210,928	115,486,647	128,314,102	137,299,324	92,720,724
EXTRAORDINARY ITEM NET OF INCOME TAXES	-	-	-	-	
TOTAL FUNDS FROM INTERNAL SOURCES	151,210,928	115,486,647	128,314,102	137,299,324	92,720,724
LESS DIVIDENDS: PREFERRED	7,862,306	7,957,531	8,059,042	8,085,837	5,817,093
COMMON	51,927,921	45,872,563	39,843,430	36,162,750	33,199,580
NET FUNDS FROM INTERNAL SOURCES	91,420,701	61,656,553	80,411,630	93,050,736	53,704,051
EXTERNAL SOURCES					
LONG TERM DEBT	114,480,293	53,092,821	90,838,078	1,000,000	55,050,000
PREFERRED STOCK	-	-	-		20,000,000
COMMON STOCK	16,312,451	13,925,796	40,454,014	8,467,939	5,210,495
NET INCREASE IN SHORT TERM DEBT	61,860,000	12,100,000	620,000	128,315,000	28,870,132
OTHER (NET)	-	43,756,544		535,201	
TOTAL FUNDS FROM EXTERNAL SOURCES	192,652,744	122,875,161	131,912,092	138,318,140	109,130,627
OTHER SOURCES (NET)	12,106,458	22,827,339	40,394,527	1,061,243	40,343,630
TOTAL FUNDS PROVIDED	$ 296,179,903	$ 207,359,053	$ 252,718,249	$ 232,430,119	$ 203,178,308
FUNDS APPLIED					
CONSTRUCTION EXPENDITURES					
GROSS ADDITIONS					
GAS PLANT	$ 115,660,190	$ 102,418,474	$ 93,784,653	$ 85,170,616	$ 77,276,473
LIQUEFIED NATURAL GAS PLANT	8,134,644	3,865,632	838,620	233,462	1,980,305
NON-UTILITY PLANT	132,445-	188,238	185,356	147,903	155,397
OTHER	144,089	181,796	190,167	174,027	97,020
TOTAL GROSS ADDITIONS	123,806,478	106,654,090	94,998,796	85,726,008	79,509,195
LESS INTEREST CAPITALIZED	1,728,686	1,165,817	1,260,665	1,293,109	781,424
TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	122,077,792	105,488,273	93,738,131	84,432,899	78,727,771
RETIREMENT OF DEBT AND SECURITIES					
LONG TERM DEBT	94,593,081	31,932,592	31,958,414	10,765,397	12,886,001
PREFERRED STOCK	1,693,333	1,600,000	1,600,000	1,600,000	1,010,000
REDEMPTION OF CAPITAL STOCK	576,575-	425,150-	911,000-	-	171,302
NET DECREASE IN SHORT TERM DEBT	-	57,250,000	103,650,863	294,869	17,070,200
OTHER (NET)	-	-	-		
TOTAL RETIREMENT OF DEBT AND SECURITIES	95,709,839	90,357,442	136,298,277	12,660,266	31,137,503
OTHER USES (NET)	78,392,272	11,513,338	22,681,841	135,336,954	93,313,034
TOTAL FUNDS APPLIED	$ 296,179,903	$ 207,359,053	$ 252,718,249	$ 232,430,119	$ 203,178,308

*THIS TABLE INCLUDES DATA FOR STRAIGHT GAS COMPANIES ONLY. SEE TABLE 7 FOR SIMILAR DATA ON COMBINATION COMPANIES

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK*
TABLE 11 COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ITEM	1985	1984	1983	1982	1981
GAS OPERATING REVENUES					
REVENUES					
RESIDENTIAL	$ 1,364,635,914	$ 1,418,829,922	$ 1,361,711,801	$ 1,230,958,620	$ 1,027,845,782
COMMERCIAL AND INDUSTRIAL	598,383,793	644,642,864	675,264,099	659,738,886	639,872,230
OTHER SALES TO PUBLIC AUTHORITIES	42,381,714	44,537,304	38,435,612	30,185,507	24,935,274
INTERDEPARTMENTAL	-	-	-	-	-
TOTAL REVENUES FROM ULTIMATE CONSUMERS	2,005,401,421	2,108,010,090	2,075,411,512	1,920,883,013	1,692,653,286
RESALE	41,725,594	34,970,941	40,985,467	35,586,972	55,977,911
TOTAL REVENUES FROM SALES OF GAS	2,047,127,015	2,142,981,031	2,116,396,979	1,956,469,985	1,748,631,197
OTHER GAS OPERATING REVENUES	13,928,617	12,473,834	13,063,070	11,867,066	8,336,941
TOTAL GAS OPERATING REVENUES	$ 2,061,055,632	$ 2,155,454,865	$ 2,129,460,050	$ 1,968,337,051	$ 1,756,968,138
GAS SALES (MCF)					
RESIDENTIAL	172,775,666	180,443,448	173,173,711	185,082,034	188,504,550
COMMERCIAL AND INDUSTRIAL	104,525,075	109,808,188	111,084,383	126,295,237	149,520,098
OTHER SALES TO PUBLIC AUTHORITIES	6,465,729	6,583,046	5,774,629	4,664,705	4,427,945
INTERDEPARTMENTAL	-	-	-	-	-
TOTAL SALES TO ULTIMATE CONSUMERS	283,766,470	296,834,682	290,032,723	316,041,976	342,452,593
RESALE	10,619,912	8,132,726	9,212,463	8,065,038	11,796,068
TOTAL GAS SALES	294,386,382	304,967,408	299,245,186	324,107,014	354,248,661
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)					
RESIDENTIAL	1,775,364	1,766,879	1,757,883	1,754,976	1,752,638
COMMERCIAL AND INDUSTRIAL	81,750	80,754	79,930	79,671	78,821
OTHER SALES TO PUBLIC AUTHORITIES	2,995	2,933	2,815	2,592	1,911
INTERDEPARTMENTAL	-	-	-	-	-
TOTAL ULTIMATE CONSUMERS	1,860,109	1,850,566	1,840,628	1,837,239	1,833,371
RESALE	4	4	5	6	6
TOTAL CUSTOMERS	1,860,113	1,850,570	1,840,633	1,837,245	1,833,377
GAS OPERATING REVENUE RELATIONSHIPS					
RESIDENTIAL SALES					
AVERAGE ANNUAL BILL PER CUSTOMER	768.65	803.01	774.63	701.41	586.46
AVERAGE MCF CONSUMPTION PER CUSTOMER	97.3	102.1	98.5	105.5	107.6
AVERAGE REVENUE PER MCF SOLD	7.90	7.86	7.86	6.65	5.45
COMMERCIAL AND INDUSTRIAL SALES					
AVERAGE ANNUAL BILL PER CUSTOMER	7,319.68	7,982.80	8,448.19	8,280.79	8,118.04
AVERAGE MCF CONSUMPTION PER CUSTOMER	1,278.6	1,359.8	1,389.8	1,585.2	1,897.0
AVERAGE REVENUE PER MCF SOLD	5.72	5.87	6.08	5.22	4.28
GAS OPERATION AND MAINTENANCE EXPENSES					
PRODUCTION EXPENSES					
MANUFACTURED GAS					
STEAM	$ 1,727,395	$ 1,683,111	$ 1,594,112	$ 1,314,356	$ 1,798,118
MANUFACTURED GAS	9,257,893	9,821,624	12,154,403	10,958,559	24,799,241
NATURAL GAS					
PRODUCTION AND GATHERING	714,111	663,530	402,660	580,169	830,631
OTHER GAS SUPPLY EXPENSES					
PURCHASED GAS	1,279,993,810	1,389,309,559	1,421,541,647	1,317,924,535	1,160,175,972
OTHER	509,785-	253,535	1,425,424-	858,349-	580,738-
TOTAL PRODUCTION EXPENSES	1,291,183,424	1,401,731,359	1,434,261,398	1,329,917,270	1,187,020,724
NATURAL GAS STORAGE EXPENSES					
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-
OTHER STORAGE EXPENSES	4,914,362	4,892,992	4,843,112	4,624,680	4,227,109
TOTAL NATURAL GAS STORAGE EXPENSES	4,914,362	4,892,992	4,843,112	4,624,680	4,227,109
TRANSMISSION EXPENSES	989,817	965,850	893,847	795,029	841,298
DISTRIBUTION EXPENSES	130,567,218	125,181,130	116,709,993	114,492,799	111,739,105
CUSTOMER ACCOUNTS EXPENSES	83,564,916	84,392,573	80,083,040	73,884,067	64,032,558
SALES EXPENSES	12,883,091	10,978,761	9,072,196	8,687,054	8,011,455
ADMINISTRATIVE AND GENERAL EXPENSES	120,447,799	115,313,434	104,182,331	94,390,887	87,142,160
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 1,644,550,627	$ 1,743,456,100	$ 1,750,051,917	$ 1,626,791,786	$ 1,483,013,905
GAS UTILITY PLANT*					
GAS UTILITY PLANT					
GAS PLANT IN SERVICE					
INTANGIBLE PLANT	$ 375,432	$ 375,432	$ 375,432	$ 375,432	$ 366,421
PRODUCTION PLANT					
MANUFACTURED GAS PLANT	55,513,052	54,656,523	54,272,175	54,030,744	53,479,104
NATURAL GAS PLANT	20,746,026	21,184,256	22,408,247	23,410,467	24,858,264
NATURAL GAS STORAGE PLANT					
UNDERGROUND STORAGE PLANT	-	-	-	-	-
OTHER STORAGE PLANT	53,033,207	48,378,802	46,880,971	46,297,109	46,096,895
TRANSMISSION PLANT	28,586,440	27,114,144	28,689,359	29,180,324	31,666,351
DISTRIBUTION PLANT	1,267,072,334	1,179,088,230	1,097,810,065	1,025,782,641	951,524,958
GENERAL PLANT	101,598,985	85,749,674	72,160,966	65,912,016	61,662,461
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
GAS STORED UNDERGROUND-NONCURRENT	857,650	857,650	857,650	857,650	857,650
TOTAL GAS PLANT IN SERVICE	1,527,783,305	1,417,404,711	1,323,454,865	1,245,846,383	1,170,512,104
PLANT LEASED TO OTHERS	-	-	-	-	-
PLANT HELD FOR FUTURE USE	334,730	37,559	37,559	37,559	40,259
CONSTRUCTION WORK IN PROGRESS	17,466,020	16,468,215	16,655,570	10,547,151	13,583,858
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
TOTAL GAS UTILITY PLANT	1,545,583,874	1,433,910,484	1,340,147,994	1,256,431,093	1,184,136,221
ACCUM. PROVISION FOR DEPRECIATION & AMORT	365,883,311	336,993,501	310,236,707	286,829,793	268,044,588
NET GAS UTILITY PLANT	$ 1,179,700,563	$ 1,096,916,983	$ 1,029,911,287	$ 969,601,300	$ 916,091,633
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,417,404,711	$ 1,323,454,865	$ 1,245,846,385	$ 1,170,512,104	$ 1,082,827,231
ADDITIONS	116,553,790	101,173,580	85,119,459	86,853,059	96,914,956
RETIREMENTS	10,804,166	11,754,481	10,872,254	12,883,691	9,418,847
TRANSFERS AND ADJUSTMENTS	4,828,790	4,530,748	3,361,275	1,364,911	188,765
PLANT IN SERVICE END OF YEAR	$ 1,527,783,124	$ 1,417,404,710	$ 1,323,454,865	$ 1,245,846,383	$ 1,170,512,104

*THIS TABLE INCLUDES DATA FOR STRAIGHT GAS COMPANIES ONLY. SEE TABLE 4 FOR GAS DATA ON COMBINATION COMPANIES.

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK*
TABLE 12 DISTRIBUTION OF GAS REVENUES
YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981
REVENUES	$ 2,061,055,631	$ 2,155,454,865	$ 2,129,460,050	$ 1,968,337,051	$ 1,756,968,138
SALES (MCF)	294,386,382	304,967,408	299,245,186	324,107,014	354,748,661
			DOLLAR AMOUNTS		
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 1,279,484,025	$ 1,389,563,094	$ 1,420,116,223	$ 1,317,066,186	$ 1,159,595,234
WAGES AND BENEFITS	151,401,932	210,551,554	192,621,733	183,327,580	168,166,252
OTHER OPERATION AND MAINTENANCE EXPENSES	213,664,670	143,341,452	137,313,961	126,398,020	135,252,423
DEPRECIATION AND AMORTIZATION EXPENSES	39,348,835	37,603,419	34,822,098	32,427,423	30,775,539
INCOME TAXES - OPERATING	54,623,821	52,327,584	41,522,249	36,294,294	22,109,031
OTHER TAXES - OPERATING	189,340,536	189,133,071	179,190,653	160,315,124	143,861,272
*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	55,559,145	55,227,516	54,997,177	53,547,365	46,347,648
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	7,712,305	7,848,547	7,979,521	8,003,300	5,767,941
EARNINGS AVAILABLE FOR COMMON EQUITY	69,919,764	69,858,625	60,896,434	50,957,758	45,292,799
TOTAL	$ 2,061,055,631	$ 2,155,454,865	$ 2,129,460,050	$ 1,968,337,051	$ 1,756,968,138
			PERCENT OF REVENUES		
PURCHASED GAS & OTHER SUPPLY EXPENSE	62.1	64.5	66.7	66.9	66.0
WAGES AND BENEFITS	7.3	9.8	9.0	9.3	9.6
OTHER OPERATION AND MAINTENANCE EXPENSES	10.4	6.7	6.4	6.4	7.7
DEPRECIATION AND AMORTIZATION EXPENSES	1.9	1.7	1.6	1.6	1.8
INCOME TAXES - OPERATING	2.7	2.4	1.9	1.8	1.3
OTHER TAXES - OPERATING	9.2	8.8	8.4	8.1	8.2
*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	2.7	2.6	2.6	2.7	2.6
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.4	0.4	0.4	0.3
EARNINGS AVAILABLE FOR COMMON EQUITY	3.4	3.2	2.9	2.6	2.6
TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER MCF		
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 4.35	$ 4.56	$ 4.75	$ 4.06	$ 3.27
WAGES AND BENEFITS	0.51	0.69	0.64	0.57	0.47
OTHER OPERATION AND MAINTENANCE EXPENSES	0.73	0.47	0.46	0.39	0.38
DEPRECIATION AND AMORTIZATION EXPENSES	0.13	0.12	0.12	0.10	0.09
INCOME TAXES - OPERATING	0.19	0.17	0.14	0.11	0.06
OTHER TAXES - OPERATING	0.64	0.62	0.60	0.49	0.41
*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.19	0.18	0.18	0.17	0.13
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.03	0.03	0.03	0.02	0.02
EARNINGS AVAILABLE FOR COMMON EQUITY	0.24	0.23	0.20	0.16	0.13
TOTAL	$ 7.00	$ 7.07	$ 7.12	$ 6.07	$ 4.96

*THESE ARE STRAIGHT GAS COMPANIES. THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY. SEE TABLE 6 FOR GAS DATA ON COMBINATION COMPANIES

Telephone Companies

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 13 COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981
ASSETS AND OTHER DEBITS					
TELEPHONE PLANT	$ 17,515,426,376	$ 16,508,214,055	$ 16,385,309,003	$ 15,691,905,449	$ 14,758,816,220
ACCUMULATED PROVISION FOR DEPR+AMORT	4,732,890,160	4,210,723,184	3,686,943,019	3,384,047,252	3,042,626,860
NET TELEPHONE PLANT	12,782,536,216	12,297,490,870	12,698,365,983	12,307,858,197	11,716,189,359
INVESTMENTS IN AFFILIATED COMPANIES	132,602,210	104,850,649	96,598,469	99,141,821	88,678,798
ADVANCES TO AFFILIATED COMPANIES	2,350,162	1,600,000	2,179,281	4,833,070	2,556,930
MISCELLANEOUS PHYSICAL PROPERTY	19,476,752	24,845,867	11,552,891	10,519,987	11,686,502
OTHER INVESTMENTS AND FUNDS	5,226,954	5,484,027	5,715,055	6,522,213	7,070,941
TOTAL INVESTMENTS AND FUNDS	159,656,078	136,580,543	116,045,696	121,017,091	109,993,171
CASH AND WORKING FUNDS	85,017,997	77,563,544	65,869,492	68,885,049	45,405,964
SPECIAL CASH DEPOSITS	25,733,025	24,517,553	31,156,538	9,044,963	1,840,030
TEMPORARY CASH INVESTMENTS	20,141,633	33,242,767	26,959,797	58,403,070	85,462,214
NOTES+ACCTS REC FROM AFFILIATED CO'S	18,685,425	36,646,772	44,935,373	17,666,062	11,596,240
OTHER NOTES AND ACCOUNTS RECEIVABLE	718,124,393	627,874,565	49,051,170	48,927,113	34,180,265
DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	1,246,447,559	1,098,282,952	1,096,653,352	1,054,274,226	895,100,527
MATERIALS AND SUPPLIES*	78,608,623	62,647,191	79,310,664	69,135,869	79,589,890
PREPAYMENTS	54,047,620	44,756,573	123,437,102	114,485,844	104,601,429
OTHER CURRENT AND ACCRUED ASSETS	8,163,773	4,634,539	3,091,060	3,648,422	4,812,766
TOTAL CURRENT AND ACCRUED ASSETS	2,254,950,049	2,010,166,457	1,520,464,549	1,444,470,618	1,262,389,327
UNAMORTIZED DEBT DISCOUNT AND EXPENSE	84,095,507	86,881,601	45,107,857	38,776,663	40,151,116
EXTRAORDINARY MAINTENANCE+RETIREMENTS	23,109	124,161	58,578	47,508	56,853
RESEARCH AND DEVELOPMENT	-	-	-	1,660	-
OTHER DEFERRED DEBITS	511,267,144	387,702,049	293,823,742	162,720,394	82,764,538
TOTAL DEFERRED DEBITS	595,385,760	474,707,811	338,990,177	201,546,225	122,972,507
TOTAL ASSETS AND OTHER DEBITS	15,792,528,105	$ 14,918,945,682	$ 14,673,866,406	$ 14,074,892,132	$ 13,211,544,364
LIABILITIES AND OTHER CREDITS					
COMMON CAPITAL STOCK	$ 4,043,455,143	$ 4,013,556,070	$ 4,564,505,373	$ 4,560,409,748	$ 4,349,820,404
PREFERRED CAPITAL STOCK	31,944,120	32,315,520	32,800,520	34,530,820	35,159,820
STOCK LIABILITY FOR CONVERSION	250	250	250	250	250
PREMIUM ON CAPITAL STOCK	100,328,418	100,254,864	59,874,338	59,183,443	57,626,215
CAPITAL STOCK SUBSCRIBED	42,600	42,600	42,600	-	-
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
OTHER PAID-IN CAPITAL	37,624,024	37,626,629	34,121,524	27,216,064	27,218,664
CAPITAL STOCK EXPENSE	119,254-	128,712-	86,920-	57,918-	60,523-
RETAINED EARNINGS	1,724,545,319	1,568,544,501	1,257,123,816	1,236,000,907	1,162,638,198
TOTAL PROPRIETARY CAPITAL	5,937,820,619	5,752,211,522	5,948,381,501	5,917,283,113	5,632,403,028
BONDS(LESS BONDS REACQUIRED)	4,024,315,817	4,129,903,995	4,090,382,123	3,937,247,500	4,058,694,813
ADVANCES FROM AFFILIATED COMPANIES	237,375,000	188,850,000	415,975,021	187,891,531	103,072,495
OTHER LONG-TERM DEBT	46,015,150	31,592,443	11,924,704	12,017,796	11,863,105
TOTAL LONG-TERM DEBT	4,307,705,967	4,350,346,438	4,518,281,848	4,137,156,827	4,173,630,413
NOTES+ACCTS PAY TO AFFILIATED CO'S	376,475,407	394,151,308	137,379,976	129,712,482	169,314,001
OTHER NOTES AND ACCOUNTS PAYABLE	1,259,909,732	943,141,444	713,985,208	861,604,618	650,585,922
CUSTOMERS' DEPOSITS	45,134,900	66,078,468	66,908,984	63,030,595	61,263,561
ADVANCE BILLING AND PAYMENTS	129,257,696	123,107,952	146,669,800	179,070,441	151,288,246
TAXES ACCRUED	259,155,615	242,386,668	95,544,167	123,797,313	79,981,134
OTHER CURRENT AND ACCRUED LIABILITIES	275,008,671	124,790,539	142,840,482	131,831,278	123,399,994
TOTAL CURRENT AND ACCRUED LIABILITIES	2,344,942,022	1,892,656,382	1,303,328,619	1,489,046,727	1,235,832,858
UNAMORTIZED PREMIUM ON DEBT	1,535,445	1,644,036	1,752,654	1,861,504	2,004,641
ACCUM. DEFERRED INVESTMENT TAX CREDITS	650,465,176	625,087,731	648,212,673	606,551,354	541,229,066
OTHER DEFERRED CREDITS	64,171,276	69,266,982	106,637,641	61,121,006	34,844,590
TOTAL DEFERRED CREDITS	716,171,897	695,998,749	756,602,968	669,533,864	578,078,297
OPERATING RESERVES	11,002,198	7,783,831	12,577,577	12,511,481	10,495,549
ACCUMULATED DEFERRED INCOME TAXES	2,474,885,399	2,219,948,759	2,134,693,893	1,849,360,120	1,581,104,219
TOTAL LIABILITIES AND OTHER CREDITS	$ 15,792,528,105	$ 14,918,945,681	$ 14,673,866,406	$ 14,074,892,132	$ 13,211,544,364
SELECTED BALANCE SHEET RELATIONSHIPS					
TELEPHONE PLANT PER DOLLAR OF REVENUE	1.88	1.90	2.14	2.14	2.24
CURRENT ASSETS/CURRENT LIABILITIES	0.96	1.06	1.17	0.97	1.02
PERCENT OF CAPITALIZATION					
LONG-TERM DEBT	42.0	43.0	43.1	41.1	42.5
PREFERRED STOCK	0.3	0.3	0.3	0.3	0.3
COMMON STOCK+OTHER PAID-IN CAPITAL	40.8	41.0	44.5	46.2	45.2
RETAINED EARNINGS	16.8	15.5	12.0	12.2	11.8
LONG-TERM DEBT					
PERCENT OF GROSS TELEPHONE PLANT	24.5	26.3	27.5	26.3	28.2
PERCENT OF NET TELEPHONE PLANT	33.6	35.3	35.5	33.6	35.6
ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	27.0	25.5	22.5	21.5	20.6

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 14. COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 9,045,115,803	$ 8,652,689,113	$ 7,511,087,512	$ 7,129,052,445	$ 6,342,987,654	
OPERATION AND MAINTENANCE EXPENSE	5,220,885,344	5,030,038,340	3,961,088,762	3,893,464,465	3,336,109,230	
EXTRAORDINARY RETIREMENTS	5,637	5,637	5,637	6,849	7,091	
DEPRECIATION	998,260,681	901,559,197	907,020,826	832,558,182	792,393,989	
AMORTIZATION	170,345	170,345	170,345	170,345	170,345	
TAXES OTHER THAN INCOME TAXES-OPERATING	1,006,723,822	1,128,626,530	1,080,399,739	902,517,018	805,740,430	
INCOME TAXES-OPERATING	335,178,264	163,082,581	141,045,790	137,524,812	156,363,663	
OPERATING INCOME TAXES DEFERRED	418,293,822	407,425,737	378,259,679	338,546,195	269,710,016	
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	90,551,970-	74,382,545-	39,948,568-	24,285,308-	29,802,834-	
TOTAL OPERATING EXPENSES	7,888,965,948	7,556,525,825	6,408,022,211	6,080,522,558	5,330,691,931	
TOTAL TELEPHONE OPERATING INCOME	1,156,149,655	1,096,163,288	1,103,065,301	1,048,529,887	1,012,295,723	
OTHER INCOME						
DIVIDEND INCOME	14,050,029	9,339,433	8,834,714	9,161,133	13,310,844	
INTEREST INCOME	10,726,386	14,533,148	17,433,587	19,439,489	18,687,652	
ALLOWANCE FOR CONSTRUCTION FUNDS	51,752,460	46,099,914	41,543,226	44,276,331	29,768,094	
INCOME FROM SINKING AND OTHER FUNDS	65,968	60,818	58,223	45,739	45,739	
INCOME FROM MISC. PHYSICAL PROPERTY	203,820	2,140,774	723,725-	1,263,313-	732,860-	
MISCELLANEOUS INCOME	7,947,668	25,572,760	1,128,403	4,963,975	3,990,037	
TOTAL OTHER INCOME	84,746,331	97,746,848	68,274,429	76,623,354	65,069,308	
TOTAL INCOME	1,240,895,986	1,193,910,136	1,171,339,730	1,125,153,241	1,077,365,029	
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	1,672,151	3,383,314	2,552,255	3,172,983	908,476	
INCOME TAXES-NONOPERATING	1,294,730	12,450,434	445,811	2,174,220	3,660,610	
MISCELLANEOUS INCOME CHARGES	12,097,583	11,073,241	13,486,080	11,116,451	9,564,017	
TOTAL INCOME DEDUCTIONS	15,064,464	26,906,989	16,484,146	16,463,654	14,133,103	
INCOME BEFORE INTEREST CHARGES	1,225,831,522	1,167,003,147	1,154,855,584	1,108,689,587	1,063,231,926	
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	341,504,557	351,414,864	341,498,613	332,485,839	301,178,977	
AMORT. OF DEBT DISCOUNT AND EXPENSE	2,688,421	1,763,572	1,603,746	1,466,898	1,318,258	
AMORT. OF PREMIUM ON DEBT-CREDIT	108,474-	108,420-	108,583-	142,970-	172,012-	
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	
OTHER INTEREST EXPENSE	53,539,334	53,683,352	90,781,573	87,535,183	79,587,956	
TOTAL INTEREST CHARGES	397,623,838	406,753,368	433,773,349	421,344,949	381,913,178	
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	828,207,683	760,249,778	721,082,234	687,344,638	681,318,746	
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	2,672,173	3,937,268	1,637,797	2,782,921	4,905,374	
EXTRAORDINARY/DELAYED INCOME CHARGES	2,626,801-	7,843,580-	38,000,080-	393,747-	688,670-	
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	2,907,106-	11,476,639-	7,049,576-	1,164,017	2,115,441	
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	2,952,478	7,570,327	29,312,686-	1,225,157	2,101,263	
NET INCOME	$ 831,160,161	$ 787,820,105	$ 691,769,548	$ 688,569,795	$ 683,420,009	
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 1,568,645,225	$ 1,430,262,264	$ 1,231,236,105	$ 1,162,638,185	$ 1,026,331,619	
BALANCE TRANSFERRED FROM INCOME	831,160,161	787,820,105	691,769,548	688,569,796	683,420,012	
MISCELLANEOUS CREDITS	3,330	24,534	-	782,982	18,720	
MISCELLANEOUS DEBITS	4,335,603	11,696,100	81,251	1,723,261	396	
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	
DIVIDENDS DECLARED-PREFERRED STOCK	1,926,157	1,958,070	2,025,511	2,103,807	2,121,054	
-COMMON STOCK	669,001,632	635,908,230	663,775,076	612,162,990	545,010,702	
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,724,545,319	1,568,544,504	1,257,123,816	1,236,000,905	1,162,638,198	
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	
TOTAL RETAINED EARNINGS END OF YEAR	$ 1,724,545,319	$ 1,568,544,501	$ 1,257,123,816	$ 1,236,000,907	$ 1,162,638,198	
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	57.7	58.1	52.7	54.6	52.5	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	11.0	10.4	12.0	11.6	12.4	49
TOTAL INCOME TAXES-OPERATING	7.3	5.7	6.4	6.3	6.2	50
OTHER TAXES-OPERATING	11.1	13.0	14.1	12.6	12.7	51
TOTAL OPERATING EXPENSES	87.2	87.3	85.3	85.2	84.0	52
OPERATING INCOME	12.7	12.6	14.6	14.7	15.9	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.7	5.4	5.5	5.3	5.3	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	4.4	4.7	5.8	5.9	6.0	55
PRETAX INTEREST COVERAGE	4.7	4.1	3.8	3.7	3.8	56
NET INCOME-PERCENT OF OPERATING REVENUES	9.1	8.8	9.2	9.6	10.7	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	58
TIMES EARNED	431.5	392.1	341.5	327.3	322.2	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	7.3	7.1	8.8	8.5	8.5	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	80.6	80.4	96.2	89.1	79.9	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	14.2	13.1	11.6	11.9	12.5	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	11.5	10.5	11.2	10.6	10.0	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 15 STATEMENT OF CHANGES IN FINANCIAL POSITION
YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981
FUNDS PROVIDED					
INTERNAL SOURCES					
INCOME BEFORE EXTRAORDINARY ITEMS	$ 828,222,334	$ 760,227,511	$ 721,028,008	$ 687,344,639	$ 681,312,990
NON-CASH CHARGES(CREDITS) TO INCOME					
DEPRECIATION AND AMORTIZATION	1,001,742,586	903,828,041	909,180,688	855,340,286	813,821,559
DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	281,102,490	291,356,466	328,385,967	333,673,882	262,647,657
INTEREST CAPITALIZED	51,755,432-	46,099,914-	41,535,850-	44,196,970-	29,768,092-
OTHER (NET)	3,864,388	2,807,941	1,875,668	419,109	26,200
TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	2,063,176,367	1,912,120,045	1,918,934,482	1,832,580,926	1,728,040,314
EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	2,967,572	7,634,438	29,258,460-	1,229,388	2,099,609
TOTAL FUNDS FROM INTERNAL SOURCES	2,066,143,939	1,919,754,483	1,889,676,022	1,833,810,314	1,730,139,923
LESS DIVIDENDS PREFERRED	1,926,159	1,958,069	2,025,511	2,103,807	2,121,053
COMMON	669,001,632	615,888,229	663,775,076	612,162,990	545,010,704
NET FUNDS FROM INTERNAL SOURCES	1,395,216,148	1,301,908,185	1,223,875,435	1,219,543,517	1,183,008,166
EXTERNAL SOURCES					
LONG TERM DEBT	65,833,131	63,680,792	391,838,157	95,196,332	447,523,185
PREFERRED STOCK	-	46,390	-	-	-
COMMON STOCK	29,352,886	56,000,692	11,016,179	210,427,229	185,355,734
NET INCREASE IN SHORT TERM DEBT	8,412,405	2,285,889	13,729,196	213,048,652	6,201,235
OTHER (NET)	60,134	43,640,345	15,275	879,910	2,890,908
TOTAL FUNDS FROM EXTERNAL SOURCES	103,658,556	165,654,108	416,598,807	519,552,123	641,971,062
OTHER SOURCES (NET)	312,502,911	288,905,590	109,930,350	23,354,722	26,660,426
TOTAL FUNDS PROVIDED	$ 1,811,383,695	$ 1,756,467,884	$ 1,750,404,592	$ 1,762,450,362	$ 1,851,639,654
FUNDS APPLIED					
CONSTRUCTION EXPENDITURES					
GROSS ADDITIONS					
TELEPHONE PLANT	$ 1,503,931,655	$ 1,370,235,698	$ 1,334,715,845	$ 1,443,367,914	$ 1,538,057,283
NON-UTILITY PLANT	371,385	48,632	116,203	95,406	165,580
OTHER	40,996	5,274-	44,334	21,590	-
TOTAL GROSS ADDITIONS	1,504,344,036	1,370,279,056	1,334,876,382	1,443,484,910	1,538,222,863
LESS INTEREST CAPITALIZED	51,755,432	46,099,914	41,535,850	44,196,970	29,768,092
TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,452,588,604	1,324,179,142	1,293,340,532	1,399,287,940	1,508,454,771
RETIREMENT OF DEBT AND SECURITIES					
LONG TERM DEBT	108,215,183	63,269,360	8,100,129	133,963,918	105,940,694
PREFERRED STOCK	365,400	482,200	1,801,676	545,200	76,450
REDEMPTION OF CAPITAL STOCK	42,724	18,450	18,400	200	20
NET DECREASE IN SHORT TERM DEBT	32,351,559	238,552,838	340,551,980	4,002,433	130,191,604
OTHER (NET)	248,191	575,592	35,600	1,319,988	1,760
TOTAL RETIREMENT OF DEBT AND SECURITIES	141,345,057	302,898,440	350,507,785	139,831,739	236,210,528
OTHER USES (NET)	217,450,035	129,390,301	106,556,275	223,330,683	106,974,355
TOTAL FUNDS APPLIED	$ 1,811,383,695	$ 1,756,467,883	$ 1,750,404,592	$ 1,762,450,362	$ 1,851,639,654

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 16. COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT, YEARS ENDING DECEMBER 31

ITEM	1985	1984	1983	1982	1981
TELEPHONE OPERATING REVENUES					
OPERATING REVENUES					
LOCAL REVENUES	$ 4,298,076,362	$ 4,039,503,629	$ 4,287,209,447	$ 4,123,899,591	$ 3,623,748,128
ACCESS REVENUES	1,892,041,110				
TOLL REVENUES	2,351,270,368	2,581,343,474	3,071,608,603	2,861,056,534	2,588,783,331
MISCELLANEOUS REVENUES	554,560,600	2,115,665,700	241,969,614	213,901,232	190,536,550
UNCOLLECTIBLE REVENUES-DR	50,832,365	83,813,692	89,700,153	69,604,912	60,080,358
TOTAL TELEPHONE OPERATING REVENUE	$ 9,045,116,075	$ 8,652,689,112	$ 7,511,087,513	$ 7,129,052,445	$ 6,342,987,653
TELEPHONE ACCESS LINES IN SERVICE*	9,722,031	9,384,370	9,208,319	9,047,040	9,033,632
TELEPHONE OPERATING REVENUE RELATIONSHIPS					
REVENUE PER AVERAGE ACCESS LINE**					
LOCAL REVENUE	$ 449.91	$ 434.53	$ 469.69	$ 456.14	$ 404.73
ACCESS REVENUE	198.05				
TOLL REVENUE	246.12	277.67	336.52	316.48	289.14

*BALANCE AT END OF YEAR
**YEAR END AVERAGE

ITEM	1985	1984	1983	1982	1981
TELEPHONE OPERATION AND MAINTENANCE EXPENSES					
OPERATION AND MAINTENANCE EXPENSES					
MAINTENANCE EXPENSES	$ 1,643,559,852	$ 1,619,705,380	$ 1,753,384,082	$ 1,643,469,312	$ 1,337,563,732
DEPRECIATION + AMORTIZATION EXPENSES	998,436,664	901,735,179	907,196,808	832,735,376	792,571,425
TRAFFIC EXPENSES	299,624,229	295,726,113	296,083,796	315,663,956	297,295,573
COMMERCIAL EXPENSES	777,209,492	820,054,884	696,165,580	743,137,187	645,737,716
ACCESS EXPENSES	971,259,303	-	-	-	-
GENERAL OFFICE SALARIES AND EXPENSES	546,147,050	504,552,074	474,780,890	426,908,962	385,584,314
OTHER OPERATING EXPENSES	983,076,715	1,789,998,326	740,658,364	764,275,627	669,913,320
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 6,219,313,305	$ 5,931,771,959	$ 4,868,269,521	$ 4,726,190,423	$ 4,128,666,081
TELEPHONE UTILITY PLANT					
TELEPHONE UTILITY PLANT					
PLANT IN SERVICE	$ 16,953,961,244	$ 15,960,857,988	$ 15,951,712,237	$ 15,227,327,042	$ 14,279,143,000
PLANT UNDER CONSTRUCTION	558,733,204	542,903,774	430,247,775	461,558,918	476,205,129
PROPERTY HELD FOR FUTURE USE	841,422	2,407,430	1,099,015	565,156	832,478
PLANT ACQUISITION ADJUSTMENTS	1,073,243	1,211,172	1,410,807	1,580,852	1,787,970
PLANT ADJUSTMENTS	817,263	833,691	839,168	873,481	847,643
TOTAL TELEPHONE UTILITY PLANT	17,515,426,376	16,508,214,055	16,385,309,003	15,691,905,449	14,758,816,220
ACCUMULATED PROVISION FOR DEPR+AMORT	4,732,890,160	4,210,723,184	3,686,943,019	3,384,047,252	3,042,626,860
NET TELEPHONE PLANT	$ 12,782,536,216	$ 12,297,490,870	$ 12,698,365,983	$ 12,307,858,197	$ 11,716,189,359
PLANT IN SERVICE BEGINNING OF YEAR	$ 15,960,857,992	$ 14,996,155,885	$ 15,218,136,893	$ 14,279,142,999	$ 13,317,739,459
ADDITIONS	1,492,072,993	1,243,798,790	1,365,766,770	1,455,793,370	1,407,074,663
RETIREMENTS	495,729,358	341,461,724	632,247,821	507,479,590	445,390,455
TRANSFERS AND ADJUSTMENTS	3,240,381-	62,365,038	56,394	129,738-	280,666-
PLANT IN SERVICE END OF YEAR	$ 16,953,961,246	$ 15,960,857,989	$ 15,951,712,236	$ 15,227,327,042	$ 14,279,143,000

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 17 DISTRIBUTION OF TELEPHONE REVENUES
YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981
REVENUES	$ 9,045,115,603	$ 8,652,689,113	$ 7,511,087,512	$ 7,129,052,445	$ 6,342,987,654
ACCESS LINES (AVERAGE*)	9,553,201	9,296,345	9,127,680	9,040,338	8,953,499
			DOLLAR AMOUNTS		
WAGES AND BENEFITS	$ 2,244,098,416	$ 2,496,862,130	$ 2,787,463,428	$ 2,724,418,531	$ 2,357,190,759
OTHER OPERATION AND MAINTENANCE EXPENSES	2,976,786,931	2,533,176,210	1,173,605,333	1,169,045,931	978,918,471
DEPRECIATION AND AMORTIZATION EXPENSES	998,431,027	901,729,542	907,191,171	832,728,527	792,564,334
EXTRAORDINARY RETIREMENTS	5,637	5,637	5,637	6,849	7,091
INCOME TAXES - OPERATING	662,920,116	496,125,773	479,356,901	451,805,699	396,270,845
OTHER TAXES - OPERATING	1,006,723,822	1,128,626,530	1,060,399,739	902,517,018	805,740,430
INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	380,835,720	391,170,141	419,764,225	406,097,764	372,440,972
PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1,873,493	1,922,687	1,987,630	2,058,511	2,085,987
EARNINGS AVAILABLE FOR COMMON EQUITY	773,340,442	703,070,460	681,313,448	640,373,612	637,768,784
TOTAL	$ 9,045,115,603	$ 8,852,889,113	$ 7,511,087,512	$ 7,129,052,445	$ 6,342,987,654
			PERCENT OF REVENUES		
WAGES AND BENEFITS	24.8	28.9	37.1	38.2	37.2
OTHER OPERATION AND MAINTENANCE EXPENSES	32.9	29.3	15.6	16.4	15.4
DEPRECIATION AND AMORTIZATION EXPENSES	11.0	10.4	12.1	11.7	12.5
EXTRAORDINARY RETIREMENTS	-	-	-	-	-
INCOME TAXES - OPERATING	7.3	5.7	6.4	6.3	6.2
OTHER TAXES - OPERATING	11.1	13.0	14.1	12.7	12.7
INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.2	4.5	5.6	5.7	5.9
PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
EARNINGS AVAILABLE FOR COMMON EQUITY	8.5	8.1	9.1	9.0	10.1
TOTAL	100.0	100.0	100.0	100.0	100.0
		DOLLARS PER AVERAGE ACCESS LINE PER MONTH			
WAGES AND BENEFITS	$ 19.58	$ 22.38	$ 25.45	$ 25.11	$ 21.94
OTHER OPERATION AND MAINTENANCE EXPENSES	25.97	22.71	10.71	10.78	9.11
DEPRECIATION AND AMORTIZATION EXPENSES	8.71	8.08	8.28	7.68	7.38
EXTRAORDINARY RETIREMENTS	-	-	-	-	-
INCOME TAXES - OPERATING	5.78	4.45	4.38	4.16	3.69
OTHER TAXES - OPERATING	8.78	10.12	9.68	8.32	7.50
INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.32	3.51	3.83	3.74	3.47
PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.02	0.02	0.02	0.02	0.02
EARNINGS AVAILABLE FOR COMMON EQUITY	6.75	6.30	6.22	5.90	5.94
TOTAL	$ 78.90	$ 77.58	$ 68.57	$ 65.72	$ 59.04

* YEAR END AVERAGE

Water Companies

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 18 COMPARATIVE BALANCE SHEET STATEMENTS YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981
ASSETS AND OTHER DEBITS					
WATER PLANT	$ 306,493,336	$ 289,796,120	$ 271,013,112	$ 257,877,119	$ 247,664,477
ACCUMULATED PROVISION FOR DEPRE+AMORT	73,534,469	69,799,893	66,609,110	63,563,097	60,415,017
NET WATER PLANT	232,958,866	219,996,225	204,404,001	194,314,021	187,249,460
OTHER PHYSICAL PROPERTY	314,608	314,648	314,688	314,728	315,091
INVESTMENTS IN ASSOCIATED COMPANIES	21,213,384	19,962,989	18,938,024	19,156,591	18,585,384
OTHER INVESTMENTS AND FUNDS	9,132	4,786	7,939	-	1,303
TOTAL INVESTMENT AND FUND ACCOUNTS	21,537,124	20,282,423	19,260,651	19,471,319	18,901,778
CASH AND WORKING FUNDS	5,925,953	6,313,890	1,666,191	2,037,258	2,222,156
SPECIAL DEPOSITS	5,374,897	2,855,389	60,710	181,023	172,500
TEMPORARY CASH INVESTMENTS	100	400,100	100	100	100
NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	13,648,613	14,783,554	14,059,407	12,319,439	10,590,238
RECEIVABLES FROM ASSOCIATED COMPANIES	2,861,445	2,625,088	4,535,941	2,752,586	2,493,700
MATERIALS AND SUPPLIES	2,664,121	2,384,637	2,185,014	1,992,097	2,063,111
PREPAYMENTS	3,790,107	3,116,129	3,126,819	2,819,546	2,521,184
OTHER CURRENT AND ACCRUED ASSETS	6,457,770	5,946,240	5,411,491	5,134,980	4,770,780
TOTAL CURRENT AND ACCRUED ASSETS	40,723,014	38,425,021	31,045,669	27,237,029	24,742,277
UNAMORTIZED DEBT EXPENSE	2,424,389	2,575,467	2,263,110	1,982,026	952,921
EXTRAORDINARY PROPERTY LOSSES		-	-	-	
PRELIM SURVEY + INVESTIGATION CHARGES	85,511	131,603	26,691	21,593	64,918
CLEARING ACCOUNTS	66,141	37,919	31,302	30,855	6,263
ACCUMULATED DEFERRED INCOME TAXES	-	10,456	9,581	9,581	-
OTHER DEFERRED DEBITS	2,134,469	2,734,945	2,734,381	3,339,096	2,717,469
TOTAL DEFERRED DEBITS	4,710,510	5,490,390	5,065,065	5,383,152	3,743,053
TOTAL ASSETS AND OTHER DEBITS	$ 299,929,515	$ 284,194,073	$ 259,775,389	$ 246,405,522	$ 234,636,558
LIABILITIES AND OTHER CREDITS					
COMMON CAPITAL STOCK	$ 34,740,329	$ 34,740,329	$ 34,740,329	$ 33,784,709	$ 33,784,709
PREFERRED CAPITAL STOCK	11,586,820	12,137,710	12,458,600	12,783,890	12,915,980
STOCK LIABILITY FOR CONVERSION	-	-	-	-	
PREMIUM ON CAPITAL STOCK	2,322,052	2,322,052	2,322,052	2,322,052	2,322,062
CAPITAL STOCK SUBSCRIBED	-	-	-	-	
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
OTHER PAID-IN CAPITAL	12,913,462	12,913,462	11,462,008	11,648,912	11,456,885
CAPITAL STOCK EXPENSE	439,584-	440,366-	440,951-	479,810-	429,810-
RETAINED EARNINGS	86,886,671	79,345,033	69,494,937	60,831,906	54,242,834
REACQUIRED CAPITAL STOCK	-	-	-	1,267,742-	1,291,225-
TOTAL PROPRIETARY CAPITAL	148,009,750	141,018,221	130,036,975	119,623,917	113,002,428
BONDS (LESS BONDS REACQUIRED)	66,421,500	66,532,500	65,112,268	62,660,023	63,461,486
ADVANCES FROM ASSOCIATED COMPANIES	6,419,503	1,388,100	1,379,318	1,371,477	2,063,898
OTHER LONG TERM DEBT	21,331,224	19,015,100	13,425,516	10,682,888	11,186,108
NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	23,938-	24,918-	-	-	
TOTAL LONG TERM DEBT	94,148,290	86,910,783	79,917,102	74,714,388	76,711,492
NOTES AND ACCOUNTS PAYABLE	7,862,543	8,381,933	9,462,341	11,670,561	13,038,376
PAYABLES TO ASSOCIATED COMPANIES	4,639,032	11,978,588	11,440,650	13,098,179	6,206,019
CUSTOMERS' DEPOSITS	1,038,134	984,493	957,555	938,300	982,323
TAXES ACCRUED	7,174,958	2,898,785	2,677,453	3,223,849	4,540,520
OTHER CURRENT AND ACCRUED LIABILITIES	8,554,659	7,949,943	6,323,775	6,199,197	4,662,232
TOTAL CURRENT AND ACCRUED LIABILITIES	29,269,329	32,153,744	30,861,777	35,130,087	29,428,677
CUSTOMER ADVANCES FOR CONSTRUCTION	9,301,816	7,616,273	6,452,407	6,093,917	6,099,198
ACCUM. DEFERRED INVESTMENT TAX CREDITS	7,022,107	5,411,777	3,469,187	2,258,960	1,008,906
OTHER DEFERRED CREDITS	4,068,309	4,392,538	3,595,103	3,738,530	3,513,215
ACCUMULATED DEFERRED INCOME TAXES					
ACCELERATED AMORIZATION	250,781	256,914	265,914	274,914	283,914
LIBERALIZED DEPRECIATION	5,552,080	3,938,976	2,640,084	1,751,034	1,170,062
OTHER	890,990	1,085,965	853,278	967,825	668,411
TOTAL DEFERRED CREDITS	27,086,062	22,702,443	17,275,974	15,126,181	12,743,797
OPERATING RESERVES	1,416,078	1,408,878	1,653,555	1,761,949	2,752,165
TOTAL LIABILITIES AND OTHER CREDITS	$ 299,929,515	$ 284,194,073	$ 259,775,389	$ 246,405,522	$ 234,636,558
SELECTED BALANCE SHEET RELATIONSHIPS					
WATER PLANT PER DOLLAR OF REVENUE	2.33	2.28	2.33	2.44	2.85
CURRENT ASSETS / CURRENT LIABILITIES	1.39	1.20	1.01	0.78	0.84
PERCENT OF CAPITALIZATION					
LONG-TERM DEBT	38.8	38.1	38.0	38.4	40.4
PREFERRED STOCK	4.7	5.3	5.9	6.5	6.8
COMMON STOCK + OTHER PAID-IN CAPITAL	20.4	21.7	22.8	23.6	24.1
RETAINED EARNINGS	35.8	34.8	33.0	31.7	28.5
LONG-TERM DEBT					
PERCENT OF GROSS WATER PLANT	30.7	29.9	29.4	28.9	30.9
PERCENT OF NET WATER PLANT	40.4	39.5	39.0	38.4	40.9
ACCUMULATED PROVISION FOR DEPRE.+AMORT					
PERCENT OF WATER PLANT	23.9	24.0	24.5	24.6	24.3

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 19. COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM	1985	1984	1983	1982	1981
WATER OPERATING INCOME					
OPERATING REVENUES $	127,991,831 $	123,083,099 $	113,491,626 $	103,620,715 $	85,512,540
OPERATION AND MAINTENANCE EXPENSES	55,436,787	52,096,932	48,030,241	44,747,381	39,936,158
DEPRECIATION	4,964,201	4,375,316	4,105,125	3,896,356	3,775,289
AMORTIZATION	25,091	25,826	21,813	10,738	6,138
TAXES OTHER THAN INCOME TAXES	33,330,893	33,247,335	31,470,911	27,089,720	24,578,523
INCOME TAXES	8,958,836	8,604,647	6,726,667	6,556,610	968,329
GAINS FROM DISP. OF UTILITY PLANT					
LOSSES FROM DISP. OF UTILITY PLANT					
TOTAL OPERATING EXPENSES	102,715,812	98,350,058	90,354,840	82,293,816	69,264,437
NET OPERATING REVENUES	25,276,018	24,733,039	23,136,784	21,326,898	16,248,103
INCOME FROM PLANT LEASED TO OTHERS	-	400	4,725	4,059	
TOTAL WATER OPERATING INCOME	25,276,018	24,733,439	23,141,509	21,330,957	16,248,103
OTHER INCOME					
INCOME FROM MDSE. JOBBING+CONTRACT WORK	81,881	1,541	23,427	43,864	22,598
INCOME FROM NONUTILITY OPERATIONS	810,009-	677,081-	670,853-	1,494,154	384,481-
NONOPERATING RENTAL INCOME	54,544	51,887	49,834	68,500	
INTEREST AND DIVIDEND INCOME	340,071	507,140	98,062	122,419	189,112
ALLOWANCE FOR CONSTRUCTION FUNDS	631,203	872,958	377,613	242,891	228,597
MISCELLANEOUS NONOPERATING INCOME	1,494,417	1,634,877	1,519,767	1,582,787	1,809,297
GAIN ON DISPOSITION OF PROPERTY	190	253	1,616	125	
TOTAL OTHER INCOME	1,792,299	2,291,575	1,399,456	564,432	1,865,125
TOTAL INCOME	27,068,317	27,025,014	24,540,965	21,895,309	18,113,228
OTHER INCOME DEDUCTIONS					
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	1,612
MISCELLANEOUS AMORTIZATION	54,817	10,545	10,141	9,757	-
MISCELLANEOUS DEDUCTIONS	28,334	81,352	174,644	49,683	74,604
TAXES OTHER THAN INC TAXES-NONOPERATING	21,212	19,450	41,892	48,788	50,436
INCOME TAXES-NONOPERATING	344,933	78,288-	173,101-	7,874-	189,017-
TOTAL OTHER INCOME DEDUCTIONS	445,296	33,059	53,576	100,354	112,385-
INCOME BEFORE INTEREST CHARGES	26,623,021	26,991,955	24,487,389	21,795,035	18,225,593
INTEREST CHARGES					
INTEREST ON LONG-TERM DEBT	8,547,489	7,240,928	6,986,543	6,710,128	6,331,837
AMORT OF DEBT DISCOUNT EXPENSE	246,102	229,952	229,387	163,327	149,053
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-
INTEREST ON DEBT TO ASSOCIATED COMPANIES	2,282,101	2,503,688	2,147,497	1,759,921	1,800,071
OTHER INTEREST CHARGES	162,958	850,993	879,612	1,886,353	2,520,184
TOTAL INTEREST CHARGES	11,238,253	10,625,587	10,243,041	10,519,728	10,800,848
EXTRAORDINARY ITEMS					
EXTRAORDINARY INCOME	-	1,560	-	711,264	58,349
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-
INCOME TAXES EXTRAORDINARY ITEMS	-	-	-	-	16,000
NET EXTRAORDINARY ITEMS	-	1,560	-	711,264	42,349
NET INCOME $	15,384,769 $	16,367,954 $	14,244,349 $	11,986,572 $	7,467,094
RETAINED EARNINGS					
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR$	79,345,033 $	69,494,937 $	60,855,388 $	54,743,835 $	50,838,263
BALANCE TRANSFERRED FROM INCOME	15,384,769	16,367,955	14,244,349	11,986,572	7,467,094
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-
DIVIDENDS DECLARED-PREFERRED STOCK	1,111,965	1,176,141	1,123,535	1,122,638	866,387
-COMMON STOCK	6,735,595	5,339,562	4,300,740	4,283,402	3,514,384
ADJUSTMENTS TO RETAINED EARNINGS	4,418	3,156-	181,326	31,024	319,227
UNAPPROPRIATED RETAINED EARNINGS END OF YR	86,886,871	79,345,033	69,494,937	60,855,392	54,243,833
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-
TOTAL RETAINED EARNINGS, END OF YEAR $	86,886,871 $	79,345,033 $	69,494,937 $	60,855,392 $	54,243,833

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981
PERCENT OF WATER OPERATING REVENUES					
OPERATION AND MAINTENANCE EXPENSES	43.3	42.3	42.3	43.1	46.7
DEPRECIATION AND AMORTIZATION	3.8	3.5	3.6	3.7	4.4
INCOME TAXES	6.9	6.9	5.9	6.3	1.1
OTHER TAXES	26.0	27.0	27.7	26.1	28.7
TOTAL OPERATING EXPENSES	80.2	79.9	79.6	79.4	80.9
OPERATING INCOME	19.7	20.0	20.3	20.5	19.0
DEPRECIATION + AMORT % OF WATER PLANT	1.6	1.5	1.5	1.5	1.5
INTEREST EXPENSE					
PERCENT OF OPERATING REVENUES	8.8	8.6	9.0	10.2	12.6
PRETAX INTEREST COVERAGE	3.2	3.3	3.0	2.7	1.8
NET INCOME - % OF OPERATING REVENUES	12.0	13.2	12.5	11.5	8.7
DIVIDEND APPROPRIATIONS, PREFERRED STOCK					
PERCENT OF OPERATING REVENUES	0.8	0.9	0.9	1.0	1.0
TIMES EARNED	13.8	13.9	12.7	10.7	8.6
DIVIDEND APPROPRIATIONS, COMMON STOCK					
PERCENT OF OPERATING REVENUES	5.2	4.3	3.7	4.1	4.1
PERCENT OF EARNINGS AVAILABLE FOR COMMON	47.1	35.1	32.7	39.4	53.2
PERCENT OF AVERAGE COMMON EQUITY					
EARNINGS AVAILABLE FOR COMMON EQUITY	10.7	12.3	11.6	10.4	6.7
DIVIDEND APPROPRIATIONS, COMMON STOCK	5.0	4.3	3.8	4.1	3.5

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 20. STATEMENT OF CHANGES IN FINANCIAL POSITION
YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981
FUNDS PROVIDED					
INTERNAL SOURCES					
INCOME BEFORE EXTRAORDINARY ITEMS	$ 15,384,760	$ 16,388,398	$ 14,244,349	$ 11,289,941	$ 7,467,094
NON CASH CHARGES(CREDITS) TO INCOME					
DEPRECIATION, DEPLETION AND AMORTIZATION	6,665,395	5,471,043	5,481,468	4,866,963	4,652,776
DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	2,992,091	3,288,931	1,803,113	2,533,222	652,895
INTEREST CAPITALIZED	628,730-	872,958-	377,613-	241,881-	228,597-
OTHER (NET)	299,100	918,660	266,833	159,195	624,931
TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	24,702,629	25,112,071	21,398,753	18,607,442	13,179,103
EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	1,560	169,052-		-
TOTAL FUNDS FROM INTERNAL SOURCES	24,702,629	25,113,631	21,229,701	18,607,442	13,179,103
LESS DIVIDENDS: PREFERRED	1,111,988	1,176,141	1,144,429	1,122,638	866,367
COMMON	6,735,596	5,339,562	4,279,346	4,283,402	2,514,385
NET FUNDS FROM INTERNAL SOURCES	16,855,079	18,658,928	15,805,926	13,201,402	8,798,351
EXTERNAL SOURCES					
LONG TERM DEBT	9,305,877	6,225,000	591,958	6,957,251	2,021,500
PREFERRED STOCK	-	-	1,000,000	-	1,750,000
COMMON STOCK	-	-	1,015,917	19,728	43,219
NET INCREASE IN SHORT TERM DEBT	109,550	7,255,431	5,562,744	950,000	5,476,587
OTHER (NET)	914,109	2,973,379	3,501,481	9,230,294	546,134
TOTAL FUNDS FROM EXTERNAL SOURCES	10,329,537	16,453,810	11,672,101	17,157,271	9,837,440
OTHER SOURCES (NET)	6,740,732	1,374,402	772,467	1,463,300	931,563
TOTAL FUNDS PROVIDED	$ 33,925,349	$ 36,487,141	$ 28,250,494	$ 31,821,974	$ 19,567,354
FUNDS APPLIED					
CONSTRUCTION EXPENDITURES					
GROSS ADDITIONS					
WATER PLANT	$ 18,302,478	$ 20,198,808	$ 14,450,606	$ 11,102,926	$ 8,797,495
NON-UTILITY PLANT	-	-	-	374	352
OTHER	-	-			
TOTAL GROSS ADDITIONS	18,302,478	20,198,808	14,450,606	11,103,300	8,797,847
LESS INTEREST CAPITALIZED	628,730	872,958	377,613	241,881	228,597
TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	17,673,748	19,325,850	14,072,993	10,861,419	8,569,250
RETIREMENT OF DEBT AND SECURITIES					
LONG TERM DEBT	2,072,479	4,453,873	3,180,431	5,544,597	3,180,492
PREFERRED STOCK	550,890	350,890	350,490	132,090	132,090
REDEMPTION OF CAPITAL STOCK	-	-		-	-
NET DECREASE IN SHORT TERM DEBT	5,562,527	1,750,000	3,347,340	8,939,397	500,000
OTHER (NET)	2,684,613	2,922,639	857,949	1,425,987	80,097
TOTAL RETIREMENT OF DEBT AND SECURITIES	10,870,509	9,477,402	7,736,210	16,042,071	3,892,679
OTHER USES (NET)	5,381,092	7,683,889	6,441,229	4,918,483	7,105,424
TOTAL FUNDS APPLIED	$ 33,925,349	$ 36,487,141	$ 28,250,494	$ 31,821,974	$ 19,567,354

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 21. COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ITEM	1985	1984	1983	1982	198
WATER OPERATING REVENUES					
REVENUES					
METERED SALES TO GENERAL CUSTOMERS	$ 101,161,454	$ 93,881,372	$ 83,547,934	$ 73,795,948	$ 60,485,330
UNMETERED SALES TO GENERAL CUSTOMERS	11,073,915	14,571,507	16,690,110	17,199,762	14,676,800
SALES TO OTHER WATER COMPANIES	159,186	157,088	129,856	120,948	111,351
OTHER SALES OF WATER	14,679,298	13,605,459	12,364,382	11,813,813	9,636,258
TOTAL REVENUES FROM SALES OF WATER	127,073,853	122,215,428	112,732,285	102,930,473	84,909,739
OTHER WATER OPERATING REVENUES	917,979	867,671	759,341	690,152	602,801
TOTAL WATER OPERATING REVENUES	$ 127,991,837	$ 123,083,099	$ 113,491,626	$ 103,620,625	$ 85,512,540
WATER SALES(T GALLONS)					
METERED SALES TO GENERAL CUSTOMERS	46,458,818	44,969,103	42,613,928	39,788,957	40,674,000
UNMETERED SALES TO GENERAL CUSTOMERS	7,858,125	11,313,060	15,427,366	17,783,168	16,805,163
SALES TO OTHER WATER COMPANIES	148,064	151,142	129,085	130,607	136,884
OTHER SALES OF WATER	195,330	190,864	206,888	195,142	175,771
TOTAL SALES OF WATER	54,660,337	56,624,169	58,377,267	57,897,874	57,791,819
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)					
METERED SALES TO GENERAL CUSTOMERS	309,101	283,231	263,713	256,970	254,714
UNMETERED SALES TO GENERAL CUSTOMERS	39,840	62,774	80,682	86,174	87,666
SALES TO OTHER WATER COMPANIES	5	4	4	4	3
OTHER SALES OF WATER	3,154	2,906	3,195	3,123	2,729
TOTAL CUSTOMERS	352,100	348,915	347,594	346,271	345,112
WATER OPERATING REVENUE RELATIONSHIPS					
METERED GENERAL CUSTOMERS					
AVG. ANNUAL BILL PER CUSTOMER	$ 327.27	$ 331.46	$ 316.81	$ 287.18	$ 237.44
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	150.30	158.77	161.59	154.83	159.67
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	217.74	208.77	196.06	185.47	148.71
UNMETERED GENERAL CUSTOMERS					
AVG. ANNUAL BILL PER CUSTOMER	$ 277.95	$ 232.12	$ 206.86	$ 199.59	$ 167.41
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	197.24	180.21	191.21	206.36	191.69
AVG. REVENUE PER T. GALLONS SOLD(CENTS)	140.92	128.80	108.19	96.72	87.34
WATER OPERATION AND MAINTENANCE EXPENSES					
SOURCE OF SUPPLY EXPENSES	$ 3,356,606	$ 3,613,419	$ 3,522,636	$ 3,003,863	$ 2,849,000
POWER AND PUMPING EXPENSES	13,826,931	14,056,529	13,932,254	13,161,931	12,4[illegible],858
PURIFICATION EXPENSES	3,703,413	3,360,236	3,199,043	3,116,072	2,5[illegible],509
TRANSMISSION AND DISTRIBUTION EXPENSES	11,743,015	10,230,231	8,880,168	7,917,519	6,860,568
CUSTOMERS ACCT'G+COLLECTING EXPENSES	7,827,773	6,416,707	5,833,763	5,478,038	4,901,872
ADMINISTRATIVE+GENERAL EXPENSES	14,979,047	14,419,747	12,662,370	12,062,954	10,328,350
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 55,436,788	$ 52,096,934	$ 48,030,241	$ 44,740,381	$ 39,936,162
WATER UTILITY PLANT					
WATER UTILITY PLANT					
PLANT IN SERVICE	$ 298,294,625	$ 281,841,716	$ 262,085,890	$ 250,337,907	$ 242,192,156
PLANT LEASED TO OTHERS	7,004	-	-	-	-
CONSTRUCTION WORK IN PROGRESS	6,969,426	6,477,216	7,440,502	6,338,556	3,161,980
PLANT HELD FOR FUTURE USE	220,176	239,512	239,286	238,221	229,221
PLANT ACQUISITION ADJUSTMENTS	1,493,965	1,547,996	1,557,755	1,567,810	1,577,287
OTHER PLANT ADJUSTMENTS	-	-	-	-	-
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	491,861-	310,321-	310,321-	305,071-	306,128-
TOTAL WATER UTILITY PLANT	306,493,336	289,796,119	271,013,112	257,877,119	247,664,476
ACCUM PROV FOR DEPR., AMORT., DEPLETION	73,534,469	69,799,893	66,609,110	63,563,098	60,415,016
NET WATER UTILITY PLANT	$ 232,958,866	$ 219,996,225	$ 204,404,002	$ 194,314,021	$ 187,249,460
PLANT IN SERVICE BEGINNING OF YEAR	$ 281,841,714	$ 262,085,891	$ 250,337,902	$ 242,192,156	$ 234,601,847
ADDITIONS	18,818,050	21,303,967	13,147,865	9,393,390	8,610,784
RETIREMENTS	1,281,775	1,192,037	1,164,365	881,424	919,149
TRANSFERS AND ADJUSTMENTS	1,083,367-	356,105-	235,511-	366,221-	101,328-
PLANT IN SERVICE END OF YEAR	$ 298,294,624	$ 281,841,716	$ 262,085,891	$ 250,337,902	$ 242,192,156

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 22 DISTRIBUTION OF WATER REVENUES
YEARS ENDED DECEMBER 31

ITEM	1985	1984	1983	1982	1981
REVENUES	$ 127,991,831	$ 123,083,099	$ 113,491,626	$ 103,620,715	$ 85,512,541
SALES (THOUSAND GALLONS)	54,660,337	56,624,169	58,377,267	57,897,874	57,791,819
			DOLLAR AMOUNTS		
WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 12,674,471	$ 13,853,849	$ 14,069,405	$ 13,512,576	$ 12,660,593
WAGES AND BENEFITS	21,749,076	20,025,712	18,102,306	12,563,472	13,708,467
OTHER OPERATION AND MAINTENANCE EXPENSES	21,013,241	18,216,973	15,853,805	18,660,274	13,567,102
DEPRECIATION AND AMORTIZATION EXPENSES	4,989,292	4,401,141	4,126,958	3,907,094	3,781,424
INCOME TAXES - OPERATING	8,958,836	8,604,647	6,726,667	6,556,618	968,329
OTHER TAXES - OPERATING	33,330,893	33,247,335	31,470,971	27,089,720	24,578,573
INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	10,962,541	10,195,527	10,073,768	10,427,374	10,627,806
PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1,081,424	1,120,185	1,087,668	1,092,080	829,061
EARNINGS AVAILABLE FOR COMMON EQUITY	13,232,053	13,417,727	11,980,073	9,811,503	4,791,236
TOTAL	$ 127,991,831	$ 123,083,099	$ 113,491,626	$ 103,620,715	$ 85,512,541
			PERCENT OF REVENUES		
WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	9.9	11.3	12.4	13.0	14.8
WAGES AND BENEFITS	17.0	16.3	16.0	12.1	16.0
OTHER OPERATION AND MAINTENANCE EXPENSES	16.4	14.8	14.0	18.0	15.9
DEPRECIATION AND AMORTIZATION EXPENSES	3.9	3.6	3.6	3.8	4.4
INCOME TAXES - OPERATING	7.0	7.0	5.9	6.3	1.1
OTHER TAXES - OPERATING	26.0	27.0	27.7	26.1	28.7
INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.6	8.3	8.9	10.1	12.4
PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.8	0.9	1.0	1.1	1.0
EARNINGS AVAILABLE FOR COMMON EQUITY	10.3	10.9	10.6	9.5	5.6
TOTAL	100.0	100.0	100.0	100.0	100.0
			CENTS PER THOUSAND GALLONS SOLD		
WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	23.19	24.47	24.10	23.34	21.91
WAGES AND BENEFITS	39.79	35.37	31.01	21.70	23.72
OTHER OPERATION AND MAINTENANCE EXPENSES	38.44	32.17	27.16	32.23	23.48
DEPRECIATION AND AMORTIZATION EXPENSES	9.13	7.77	7.07	6.75	6.54
INCOME TAXES - OPERATING	16.39	15.20	11.52	11.32	1.68
OTHER TAXES - OPERATING	60.98	58.72	53.91	46.79	42.53
INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	20.06	18.01	17.26	18.01	18.39
PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.98	1.98	1.86	1.89	1.43
EARNINGS AVAILABLE FOR COMMON EQUITY	24.21	23.70	20.52	16.95	8.29
TOTAL	234.16	217.37	194.41	178.97	147.97

SECTION I.

ELECTRIC SERVICE COMPANIES

Balance Sheets
Income Statements
Statements of Changes in Financial Position
Statements of Revenue, Plant, and Operation and Maintenance
Distribution of Electric Revenues

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS, YEARS ENDED DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 944,031,368	$ 826,121,066	$ 723,788,736	$ 654,915,091	$ 597,163,182
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	202,685,118	190,723,311	178,216,917	166,916,145	152,555,118
3	NET ELECTRIC UTILITY PLANT	741,346,250	635,397,758	545,571,819	487,998,946	444,608,064
4	OTHER UTILITY PLANT	109,736,366	102,669,687	97,001,773	92,198,364	87,602,260
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	38,193,088	34,560,331	31,808,244	29,216,507	26,712,677
6	NET OTHER UTILITY PLANT	71,543,278	68,109,356	65,193,529	62,981,857	60,889,583
7	TOTAL UTILITY PLANT	1,053,767,734	928,790,953	820,790,509	747,113,455	684,765,442
8	ACCUM. PROVISION FOR DEPR. AND AMORT	240,878,206	225,283,642	210,025,161	196,132,652	179,267,795
9	NET TOTAL UTILITY PLANT	812,889,528	703,507,111	610,765,348	550,980,803	505,497,647
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	1,409,005	565,496	565,496	565,496	549,495
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	2,153,523	2,608,723	1,606,101	1,532,862	1,280,822
13	OTHER INVESTMENTS	39,159	27,406	11,345	10,200	10,200
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	3,601,687	3,201,625	2,182,942	2,108,558	1,840,517
16	CASH	1,462,371	1,047,021	1,125,575	1,641,613	2,648,086
17	SPECIAL DEPOSITS	53,391,410	7,627,592	2,818,988	6,082,827	14,145
18	WORKING FUNDS	190,784	217,384	450,705	490,837	310,343
19	TEMPORARY CASH INVESTMENTS	14,350,000	10,517,642	-	-	-
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	44,835,751	45,130,323	46,317,236	45,816,966	40,214,060
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	29,564	-	-	-
22	MATERIALS AND SUPPLIES	23,853,891	33,129,621	29,528,117	19,078,129	26,510,683
23	PREPAYMENTS	6,523,634	5,402,565	5,108,431	4,694,318	4,259,013
24	OTHER CURRENT AND ACCRUED ASSETS	11,883,033	10,182,921	9,935,138	9,109,213	8,225,767
25	TOTAL CURRENT AND ACCRUED ASSETS	156,490,874	113,284,663	94,280,189	86,911,903	82,182,096
26	UNAMORTIZED DEBT EXPENSE	5,674,162	4,289,477	3,228,624	3,304,654	2,493,209
27	EXTRAORDINARY PROPERTY LOSSES	15,451,877	18,665,001	20,815,721	22,270,245	-
28	PREL. SURVEY + INVESTIGATION CHARGES	79,601	74,199	2,249,189	1,139,179	848,512
29	CLEARING ACCOUNTS	320,958	306,438	506,949	507,699	264,721
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	627,381-	595,546-	139,796-	26,501-	74,549-
32	ACCUMULATED DEFERRED INCOME TAXES	1,813,800	1,033,800	175,100	165,600	809,400
33	OTHER DEFERRED DEBITS	44,642,413	36,517,144	30,318,176	18,855,621	18,066,089
34	TOTAL DEFERRED DEBITS	67,355,450	59,280,513	57,151,984	48,216,467	22,407,382
35	TOTAL ASSETS AND OTHER DEBITS	$ 1,040,337,539	$ 879,273,902	$ 764,380,443	$ 686,217,731	$ 611,927,642
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 214,464,067	$ 184,615,765	$ 156,927,223	$ 130,999,924	$ 111,164,694
37	PREFERRED STOCK ISSUED	81,030,000	81,030,000	81,030,000	81,030,000	81,030,000
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	66,780	66,780	66,780	66,780	66,780
41	OTHER PAID-IN CAPITAL	-	-	-	-	-
42	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
43	CAPITAL STOCK EXPENSE	4,302,983-	4,039,712-	3,839,759-	2,677,044-	2,479,926-
44	RETAINED EARNINGS	145,374,845	125,751,423	109,935,474	99,035,804	88,497,245
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	481,654	661,867	569,234	485,995	459,955
46	REACQUIRED CAPITAL STOCK	-	-	-	-	-
47	TOTAL PROPRIETARY CAPITAL	437,114,363	388,186,113	344,678,952	288,941,459	258,738,748
48	BONDS (LESS BONDS REACQUIRED)	332,400,000	312,400,000	278,400,000	278,400,000	239,500,000
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	112,675,000	40,600,000	7,375,000	7,550,000	7,725,000
51	NET UNAMORTIZED PREMIUM + DISCOUNT	537,038-	607,982-	678,926-	749,870-	820,814-
52	TOTAL LONG-TERM DEBT	444,537,962	352,392,018	285,096,074	285,200,130	246,404,186
53	NOTES PAYABLE	-	-	23,000,000	26,500,000	16,500,000
54	ACCOUNTS PAYABLE	22,258,928	28,849,501	23,079,904	14,991,513	26,668,458
55	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
56	CUSTOMER DEPOSITS	2,688,436	2,478,924	2,677,244	2,733,069	2,840,218
57	TAXES ACCRUED	5,018,646	9,194,519	3,696,425	6,248,716	6,073,163
58	INTEREST ACCRUED	8,884,918	7,321,709	6,533,494	6,626,069	5,865,453
59	DIVIDENDS DECLARED	10,456,918	9,430,668	8,123,914	6,562,556	5,654,316
60	TAX COLLECTIONS PAYABLE	652,196	692,560	665,697	916,742	902,907
61	OTHER CURRENT AND ACCRUED LIABILITIES	7,205,101	11,561,218	8,920,170	4,970,142	4,286,594
62	TOTAL CURRENT AND ACCRUED LIABILITIES	57,165,140	63,519,079	78,696,848	69,548,787	68,781,109
63	CUSTOMER ADVANCES FOR CONSTRUCTION	684,970	681,529	787,666	779,380	766,240
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	35,438,000	27,647,000	20,093,000	14,254,000	9,404,000
66	OTHER DEFERRED CREDITS	27,828,586	12,773,999	6,663,471	1,588,223	4,384,364
	ACCUMULATED DEFERRED INCOME TAXES,					
67	ACCELERATED AMORTIZATION	-	-	-	63,316	148,916
68	LIBERALIZED DEPRECIATION	19,774,600	16,587,700	13,666,200	10,946,100	9,193,800
69	OTHER	16,097,900	15,573,100	16,144,000	13,695,700	13,114,000
70	TOTAL DEFERRED CREDITS	99,832,036	73,273,328	56,364,337	41,326,699	37,011,320
71	PROPERTY INSURANCE RESERVE	-	166,925	104,200	-	-
72	INJURIES AND DAMAGE RESERVE	1,688,039	1,736,439	1,460,032	1,200,656	992,279
73	PENSION AND BENEFITS RESERVE	-	-	-	-	-
74	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
75	TOTAL OPERATING RESERVES	1,688,039	1,903,364	1,564,232	1,200,656	992,279
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,040,337,539	$ 879,273,902	$ 764,380,443	$ 686,217,731	$ 611,927,642

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS						
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 436,652,041	$ 454,880,477	$ 411,769,559	$ 384,159,363	$ 398,392,176	1
OPERATION AND MAINTENANCE EXPENSE	282,366,978	317,825,417	290,372,455	287,234,917	311,068,589	2
DEPRECIATION EXPENSE	16,108,142	15,490,660	15,167,286	14,380,940	13,896,827	3
AMORTIZATION	5,148,866	3,983,183	3,508,346	489,587	77,136	4
TAXES OTHER THAN INCOME TAXES	35,668,834	33,753,666	30,412,769	26,701,404	25,273,418	5
INCOME TAXES	25,450,000	28,427,000	20,875,000	13,341,000	10,423,000	6
PROVISION FOR DEFERRED INCOME TAXES	13,696,100	6,654,100	7,839,200	5,495,200	5,557,500	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	4,737,400-	5,084,400-	4,501,416-	3,000,200-	5,517,600-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	373,701,520	401,089,826	363,673,639	344,642,848	360,778,870	12
NET OPERATING REVENUES	62,950,521	53,790,651	48,095,920	39,517,136	37,613,306	13
INC. FROM LSD. PLT. & OTHER OPER. INC	-	-	-	-	-	14
ELECTRIC UTILITY OPERATING INCOME	62,950,521	53,790,651	48,095,920	39,517,136	37,613,306	15
OTHER UTILITY OPERATING INCOME	6,408,012	6,522,662	4,531,261	5,576,161	3,920,033	16
TOTAL UTILITY OPERATING INCOME	69,358,533	60,313,313	52,627,181	45,093,296	41,533,339	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	3,464-	67,201	9,871	3,193	43,331	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	188-	-	-	-	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	80,203-	2,623	73,239	26,040	325,555	21
INTEREST AND DIVIDEND INCOME	739,952	643,807	180,670	936,608	2,491	22
ALLOWANCE FOR CONSTRUCTION FUNDS	26,432,772	21,921,590	16,428,513	14,761,877	13,915,717	23
MISCELLANEOUS NONOPERATING INCOME	782,778-	410,310	161,361-	186,986-	180,511-	24
GAIN ON DISPOSITION OF PROPERTY	720	-	41,157	8,033	-	25
TOTAL OTHER INCOME	26,326,811	23,045,531	16,572,089	15,548,765	14,106,583	26
TOTAL INCOME	95,685,344	83,358,844	69,199,270	60,640,061	55,639,922	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	17,236	16,238	11,203	14,487	10,674	28
INCOME TAXES-NONOPERATING	6,570,300-	4,984,500-	4,605,000-	4,581,000-	2,748,000-	29
LOSS ON DISPOSITION OF PROPERTY	28,777	4,630	52,359	-	489,708	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	452,117	482,136	468,521	309,037	223,824	32
TOTAL INCOME DEDUCTIONS	6,072,171-	4,461,496-	4,072,917-	4,257,476-	2,023,796-	33
INCOME BEFORE INTEREST CHARGES	101,757,515	87,820,340	73,272,187	64,897,537	57,663,718	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	40,420,583	34,334,725	30,039,337	25,291,931	22,857,775	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	432,521	374,251	335,040	285,542	204,397	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	24,192-	24,192-	24,192-	24,192-	25,302-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	1,256,280	1,998,687	2,686,168	4,034,834	4,947,884	39
TOTAL INTEREST CHARGES	42,085,192	36,683,471	33,036,353	29,568,115	27,984,754	40
INCOME BEFORE EXTRAORDINARY ITEMS	59,672,323	51,136,869	40,235,834	35,329,422	29,678,964	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 59,672,323	$ 51,136,869	$ 40,235,834	$ 35,329,422	$ 29,678,964	46
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 125,751,423	$ 109,935,474	$ 99,035,804	$ 88,497,245	$ 80,020,747	47
BALANCE TRANSFERRED FROM INCOME	59,752,528	51,134,246	40,162,595	35,303,382	29,353,409	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	6,184,367	6,458,368	5,783,289	4,126,389	4,126,371	50
-COMMON STOCK	33,944,737	28,859,929	23,479,636	20,638,454	16,750,540	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	145,374,845	125,751,423	109,935,474	99,035,804	88,497,245	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	481,654	561,857	559,234	485,995	459,955	55
TOTAL RETAINED EARNINGS, END OF YEAR	$ 145,856,499	$ 126,313,280	$ 110,494,708	$ 99,521,799	$ 88,957,200	56
SELECTED BALANCE SHEET RELATIONSHIPS						
ELEC. UTILITY PLANT/DOLLAR OF ELEC. REVENUE	2.03	1.70	1.67	1.63	1.44	57
OTHER UTILITY PLANT/DOLLAR OTHER REVENUE	1.56	1.46	1.53	1.46	1.82	58
TOTAL UTILITY PLANT/DOLLAR TOTAL REVENUE	1.96	1.67	1.66	1.61	1.48	59
CURRENT ASSETS / BY CURRENT LIABILITIES	2.74	1.78	1.23	1.25	1.19	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	50.4	47.5	45.2	49.6	48.7	61
PREFERRED STOCK	9.1	10.9	12.8	10.8	12.0	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	23.8	24.4	24.4	22.4	21.6	63
RETAINED EARNINGS	16.4	16.9	17.4	17.2	17.5	64
LONG-TERM DEBT % OF GROSS UTILITY PLANT	42.1	37.9	34.7	38.1	35.9	65
% OF NET UTILITY PLANT	54.6	50.0	46.6	51.7	48.7	66
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	22.8	24.2	25.5	26.2	26.1	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
ELECTRIC OPERATING REVENUES: % OF TOTAL OPERATING REVENUES	86.4	86.9	86.9	86.1	89.5	68
PERCENT OF ELECTRIC OPERATING REVENUES						
ELECTRIC OPERATION AND MAINTENANCE	64.6	69.8	70.5	74.7	78.0	69
ELECTRIC DEPRECIATION AND AMORTIZATION	4.8	4.2	4.5	3.8	3.5	70
TOTAL INCOME TAXES-ELECTRIC, OPERATING	7.8	6.5	5.8	4.1	2.6	71
OTHER TAXES-ELECTRIC, OPERATING	8.1	7.4	7.3	6.9	6.3	72
GAINS/LOSSES FROM DISP OF UTILITY PLANT	-	-	-	-	-	73
TOTAL ELECTRIC OPERATING EXPENSE /"	85.5	88.1	88.3	89.7	90.5	74
ELECTRIC OPERATING INCOME	14.4	11.8	11.6	10.2	9.4	75
ELEC. DEPR. AND AMORT % OF ELEC. UTILITY PLT	2.2	2.3	2.5	2.2	2.3	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	8.3	7.0	7.0	6.6	6.3	77
PRETAX INTEREST COVERAGE	3.2	3.2	2.8	2.6	2.4	78
NET INCOME-PERCENT OF OPERATING REVENUES	11.8	9.7	8.4	7.9	6.6	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	1.2	1.2	1.2	0.9	0.9	80
TIMES EARNED	9.6	7.9	7.0	8.6	7.2	81
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	6.7	5.5	4.9	4.6	3.7	82
% OF EARNINGS AVAILABLE FOR COMMON	63.4	64.5	68.1	66.1	65.5	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	16.1	15.6	14.0	14.6	13.7	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.2	10.1	9.5	9.6	9.0	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 59,672,323	$ 51,136,869	$ 40,235,834	$ 35,329,422	$ 29,678,964
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	24,249,558	22,531,271	20,524,230	16,922,780	18,107,880
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	10,712,700	10,055,900	9,934,584	7,816,700	2,349,400
4	INTEREST CAPITALIZED	28,432,772-	21,921,590-	16,428,513-	14,761,877-	13,915,717-
5	OTHER (NET):	3,819,488	5,354,460	2,998,590	1,421,379	2,602,910
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	72,021,298	67,156,910	57,264,725	46,728,404	38,823,437
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	72,021,298	67,156,910	57,264,725	46,728,404	38,823,437
10	LESS DIVIDENDS PREFERRED	6,184,387	6,458,368	5,783,289	4,126,369	4,128,371
11	COMMON	33,944,737	28,859,929	23,479,636	20,638,454	18,750,540
12	NET FUNDS FROM INTERNAL SOURCES	31,892,191	31,838,613	28,001,800	21,963,581	15,946,526
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	92,250,000	78,400,000	-	44,900,000	30,000,000
14	PREFERRED STOCK	-	-	20,000,000	-	-
15	COMMON STOCK	29,648,302	27,888,542	25,927,299	19,835,230	15,618,202
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	10,000,000	-
17	OTHER (NET)	46,005,491-	4,975,387-	3,448,982	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	75,892,811	101,313,155	49,376,281	74,735,230	45,618,202
20	OTHER SOURCES (NET):	-	-	-	-	1,411,296
21						
22						
23	TOTAL FUNDS PROVIDED	$ 107,785,002	$ 133,151,768	$ 77,378,081	$ 96,698,811	$ 62,976,024
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	ELECTRIC PLANT	$ 33,115,417	$ 22,458,235	$ 16,114,243	$ 28,557,123	$ 15,538,528
25	NUCLEAR PLANT	88,364,391	83,587,519	63,905,550	51,936,398	36,603,619
26	NUCLEAR FUEL	3,530,814	2,577,116	2,109,457	475,597	489,076
27	GAS PLANT	4,908,251	3,645,673	2,243,255	2,971,317	3,418,900
28	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
29	STEAM PLANT	-	-	-	-	-
30	NON-UTILITY PLANT	-	-	-	-	-
31	OTHER	-	-	-	-	-
32	TOTAL GROSS ADDITIONS	129,918,873	112,268,543	84,372,505	83,940,435	56,050,123
33	LESS INTEREST CAPITALIZED	28,432,772	21,921,590	16,428,513	14,761,877	13,915,717
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	103,486,101	90,346,953	67,943,992	69,178,558	42,134,406
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	175,000	11,175,000	175,000	6,175,000	18,175,000
36	PREFERRED STOCK	-	-	-	-	-
37	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	-	23,000,000	3,500,000	-	1,500,000
39	OTHER (NET):	-	-	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	175,000	34,175,000	3,675,000	6,175,000	19,675,000
42	OTHER USES (NET):	4,123,901	8,629,815	5,759,089	21,345,253	1,166,618
43						
44						
45	TOTAL FUNDS APPLIED	$ 107,785,002	$ 133,151,768	$ 77,378,081	$ 96,698,811	$ 62,976,024

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO.
		ELECTRIC OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 144,494,038	$ 141,033,626	$ 128,332,199	$ 118,283,775	$ 110,134,735	1
COMMERCIAL AND INDUSTRIAL	205,845,678	191,914,636	169,498,157	155,750,242	152,867,985	2
PUBLIC STREET AND HIGHWAY LIGHTING	3,168,826	3,132,955	2,935,577	2,923,796	2,947,931	3
OTHER PUBLIC AUTHORITIES	28,628,809	23,462,082	21,522,188	19,928,451	19,010,185	4
RAILROADS AND RAILWAYS	-	-	-	-	-	5
INTERDEPARTMENTAL	46,584	56,812	44,863	38,885	43,048	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	380,184,913	359,600,111	320,332,982	294,931,179	285,003,884	7
RESALE	50,378,618	93,479,026	87,772,843	85,620,743	111,027,720	8
TOTAL REVENUES FROM ELECTRIC SALES	430,563,531	453,079,137	408,105,825	380,551,922	396,031,604	9
OTHER ELECTRIC OPERATING REVENUES	8,088,510	1,781,340	3,683,734	3,608,061	2,360,572	10
TOTAL ELECTRIC OPERATING REVENUES	$ 438,652,041	$ 454,860,477	$ 411,769,559	$ 384,159,983	$ 398,392,176	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	1,238,400	1,237,993	1,181,217	1,154,951	1,163,461	12
COMMERCIAL AND INDUSTRIAL	2,367,312	2,176,743	2,047,081	1,980,567	2,007,236	13
PUBLIC STREET AND HIGHWAY LIGHTING	24,626	25,164	26,101	27,480	28,531	14
OTHER PUBLIC AUTHORITIES	277,794	238,918	231,370	228,119	228,505	15
RAILROADS AND RAILWAYS	-	-	-	-	-	16
INTERDEPARTMENTAL	1,104	1,314	1,095	947	1,033	17
TOTAL SALES TO ULTIMATE CONSUMERS	3,897,236	3,680,131	3,486,804	3,392,065	3,428,767	18
RESALE	1,103,376	1,779,784	1,794,695	1,635,766	2,093,493	19
TOTAL KILOWATT-HOUR SALES	5,000,613	5,459,915	5,281,559	5,027,830	5,522,260	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	197,667	193,764	190,325	188,050	185,623	21
COMMERCIAL AND INDUSTRIAL	28,236	25,609	25,133	24,838	24,574	22
PUBLIC STREET AND HIGHWAY LIGHTING	191	189	188	187	185	23
OTHER PUBLIC AUTHORITIES	2,453	2,339	2,622	2,593	2,659	24
RAILROADS AND RAILWAYS	-	-	-	-	-	25
INTERDEPARTMENTAL	1	1	1	1	1	26
TOTAL ULTIMATE CONSUMERS	228,568	221,902	218,269	215,669	213,042	27
RESALE	5	7	8	9	9	28
TOTAL CUSTOMERS	228,573	221,909	218,277	215,678	213,051	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 730.92	$ 727.86	$ 663.77	$ 618.42	$ 593.32	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	6,254	6,389	6,206	6,142	6,268	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	11.69	11.39	10.70	10.07	9.47	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 7,845.92	$ 7,494.03	$ 6,744.05	$ 6,270.64	$ 6,220.72	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	89,860	84,999	81,450	79,739	81,681	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	8.73	8.82	8.28	7.86	7.62	35
		ELECTRIC OPERATION AND MAINTENANCE EXPENSES				
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 167,593,770	$ 203,687,548	$ 191,343,983	$ 165,599,923	$ 183,451,488	36
OTHER	12,334,000	12,145,284	12,462,934	9,936,537	9,185,572	37
TOTAL STEAM POWER EXPENSES	179,927,770	215,832,832	203,806,917	175,536,460	192,637,060	38
NUCLEAR POWER						
FUEL	-	-	-	-	-	39
OTHER	-	-	-	-	-	40
TOTAL NUCLEAR POWER EXPENSES	-	-	-	-	-	41
HYDRAULIC POWER						
WATER FOR POWER	422,748	956,756	1,323,296	901,684	450,498	42
OTHER	820,971	1,306,929	770,828	722,666	443,078	43
TOTAL HYDRAULIC POWER EXPENSES	1,243,719	2,263,685	2,094,124	1,624,350	893,576	44
OTHER POWER GENERATION						
FUEL	171,119	93,170	129,595	217,482	264,976	45
OTHER	179,436	256,614	149,426	401,696	148,506	46
TOTAL OTHER POWER GENERATION EXPENSE	350,555	349,784	279,021	619,178	413,482	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	50,538,138	52,545,117	40,427,763	68,009,395	80,268,354	48
OTHER	1,501,903	1,663,171	1,574,842	1,453,436	1,185,682	49
TOTAL OTHER POWER SUPPLY EXPENSES	52,040,041	54,208,288	42,002,605	69,462,831	81,454,036	50
TOTAL POWER PRODUCTION EXPENSES	233,562,085	272,654,589	248,182,667	247,242,819	275,398,154	51
TRANSMISSION EXPENSES	3,923,975	3,685,819	3,737,088	3,949,569	3,432,251	52
DISTRIBUTION EXPENSES	12,257,243	11,013,729	10,215,886	9,958,563	9,201,008	53
CUSTOMER ACCOUNTS EXPENSES	7,182,664	6,873,939	6,612,268	6,531,588	5,480,837	54
SALES EXPENSES	1,348,634	1,111,273	675,021	664,312	496,636	55
ADMINISTRATIVE AND GENERAL	24,094,377	22,486,068	20,949,525	18,888,086	17,059,703	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 282,368,978	$ 317,825,417	$ 290,372,455	$ 287,234,917	$ 311,068,569	57
		ELECTRIC UTILITY PLANT*				
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	$ 45,519	$ 45,519	$ 45,519	$ 45,519	$ 45,519	58
PRODUCTION PLANT						
STEAM	209,224,070	207,325,202	203,176,404	209,610,104	192,376,009	59
NUCLEAR	-	-	-	-	-	60
HYDRAULIC	10,625,021	10,233,998	10,236,694	10,042,622	9,021,629	61
OTHER	3,442,928	3,439,609	3,430,428	3,430,428	3,412,226	62
TRANSMISSION PLANT	67,549,254	63,738,889	63,450,472	63,426,475	61,557,069	63
DISTRIBUTION PLANT	196,740,080	187,333,159	179,510,323	173,529,512	164,843,500	64
GENERAL PLANT	527,879	554,188	549,859	529,641	413,398	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	12,649,287	9,118,455	6,541,339	4,431,882	4,344,908	68
TOTAL ELECTRIC PLANT IN SERVICE	500,804,018	481,789,019	466,941,038	465,046,183	438,014,258	69
PLANT LEASED TO OTHERS	-	-	-	-	-	70
PLANT HELD FOR FUTURE USE	5,400,449	5,398,573	5,398,573	5,842,942	5,931,125	71
CONSTRUCTION WORK IN PROGRESS	437,826,899	338,933,474	251,449,125	184,025,966	155,217,799	72
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	73
TOTAL ELECTRIC UTILITY PLANT	944,031,366	826,121,066	723,788,736	654,915,091	597,163,182	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	202,685,116	190,723,311	178,216,917	166,916,145	152,555,118	75
NET ELECTRIC UTILITY PLANT	$ 741,346,250	$ 635,397,755	$ 545,571,819	$ 487,998,946	$ 444,608,064	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 481,789,019	$ 466,941,038	$ 465,046,183	$ 438,014,258	$ 427,708,986	77
ADDITIONS	22,219,853	16,508,276	3,830,314	31,776,393	13,725,171	78
RETIREMENTS	3,067,456	1,660,295	1,942,655	2,498,404	2,336,488	79
TRANSFERS AND ADJUSTMENTS	137,396-	-	7,196	246,064-	3,083,410-	80
PLANT IN SERVICE END OF YEAR	$ 500,804,020	$ 481,789,019	$ 466,941,038	$ 465,046,183	$ 436,014,258	81

*EXCLUDES ALLOCATION OF COMMON PLANT

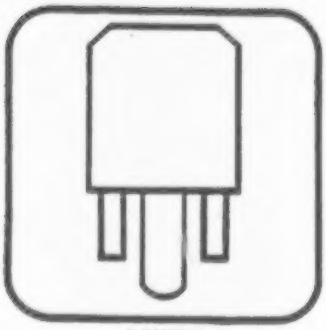
MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

YEARS ENDED DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES - ULTIMATE CONSUMERS	$ 386,273,423	$ 361,381,451	$ 323,996,716	$ 298,539,240	$ 287,384,456
2	SALES-ULTIMATE CONSUMERS (000 KWH)	3,897,236	3,680,130	3,486,884	3,392,064	3,428,766
				DOLLAR AMOUNTS		
3	FUEL AND PURCHASED POWER	$ 169,727,064	$ 172,084,314	$ 153,848,877	$ 160,283,246	$ 164,674,991
4	WAGES AND BENEFITS	35,043,060	33,490,238	32,735,322	29,337,430	26,166,100
5	OTHER OPERATION AND MAINTENANCE EXPENSES	27,498,768	25,272,804	22,617,801	21,533,237	18,373,681
6	DEPRECIATION AND AMORTIZATION EXPENSES	21,256,008	19,473,843	18,675,631	14,870,527	13,973,963
7	INCOME TAXES - OPERATING	34,408,700	30,016,700	24,212,784	15,836,000	10,462,900
8	OTHER TAXES - OPERATING	35,666,834	33,753,866	30,412,769	26,701,404	25,273,418
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	22,537,497	20,747,327	19,017,649	16,651,164	14,628,146
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	3,933,000	4,090,168	3,783,704	2,675,340	2,916,002
11	EARNINGS AVAILABLE FOR COMMON EQUITY	36,203,503	22,452,191	18,882,175	10,660,890	10,895,256
12	TOTAL	$ 386,273,423	$ 361,381,451	$ 323,996,716	$ 298,539,240	$ 287,384,456
				PERCENT OF REVENUES - ULTIMATE CONSUMERS		
13	FUEL AND PURCHASED POWER	43.9	47.6	47.5	53.7	57.3
14	WAGES AND BENEFITS	9.1	9.3	10.1	9.8	9.1
15	OTHER OPERATION AND MAINTENANCE EXPENSES	7.1	7.0	7.0	7.2	6.4
16	DEPRECIATION AND AMORTIZATION EXPENSES	5.5	5.4	5.8	5.0	4.9
17	INCOME TAXES - OPERATING	8.9	8.3	7.5	5.3	3.6
18	OTHER TAXES - OPERATING	9.2	9.3	9.4	8.9	8.8
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	5.8	5.7	5.9	5.6	5.1
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.0	1.1	1.2	0.9	1.0
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.4	6.2	5.8	3.6	3.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER KWH		
23	FUEL AND PURCHASED POWER	4.36	4.68	4.37	4.73	4.80
24	WAGES AND BENEFITS	0.90	0.91	0.94	0.86	0.76
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.71	0.69	0.65	0.63	0.54
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.55	0.53	0.54	0.44	0.41
27	INCOME TAXES - OPERATING	0.88	0.82	0.69	0.47	0.31
28	OTHER TAXES - OPERATING	0.92	0.92	0.87	0.79	0.74
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	0.58	0.56	0.55	0.49	0.43
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.10	0.11	0.11	0.08	0.09
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.93	0.61	0.54	0.31	0.32
32	TOTAL	9.91	9.82	9.29	8.80	8.38
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	94.55	93.94	93.05	92.34	91.73



POWER

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS, YEARS ENDED DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 8,163,699,858	$ 7,925,881,582	$ 7,644,564,709	$ 7,375,141,812	$ 7,135,624,209
2	ACCUM. PROVISION FOR DEPR. AND AMORT	2,262,353,216	2,170,007,475	2,040,513,853	1,860,106,602	1,760,841,663
3	NET ELECTRIC UTILITY PLANT	5,901,346,642	5,755,874,107	5,604,050,856	5,515,035,210	5,374,782,546
4	OTHER UTILITY PLANT	1,524,570,439	1,441,930,980	1,350,647,146	1,270,543,050	1,183,765,055
5	ACCUM. PROVISION FOR DEPR. AND AMORT	330,142,748	300,329,378	278,000,283	250,441,357	223,167,014
6	NET OTHER UTILITY PLANT	1,194,427,691	1,141,601,602	1,072,646,863	1,020,101,693	960,598,041
7	TOTAL UTILITY PLANT	9,688,270,297	9,367,812,562	8,995,211,855	8,645,684,862	8,319,389,264
8	ACCUM. PROVISION FOR DEPR. AND AMORT	2,592,495,964	2,470,336,853	2,318,514,136	2,110,547,959	1,984,008,677
9	NET TOTAL UTILITY PLANT	7,095,774,333	6,897,475,709	6,676,697,719	6,535,136,903	6,335,380,587
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	2,668,546	3,303,442	3,480,748	3,296,745	4,311,841
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	6,380,957	5,947,074	5,399,750	4,717,287	3,977,052
13	OTHER INVESTMENTS	1,192,708	106,386	106,485	646,827	623,804
14	SPECIAL FUNDS	75,728	91,502	92,297	112,625	121,956,326
15	TOTAL OTHER PROPERTY AND INVESTMENTS	10,317,939	9,448,404	9,079,280	8,773,484	130,869,023
16	CASH	14,598,691	17,014,985	8,130,719	7,708,219	11,054,823
17	SPECIAL DEPOSITS	4,497,938	11,387,007	1,619,084	1,238,208	1,387,541
18	WORKING FUNDS	1,049,352	1,334,870	1,175,492	2,724,157	849,258
19	TEMPORARY CASH INVESTMENTS	836,760,669	748,568,642	589,685,961	333,255,335	347,419,150
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	403,169,594	402,444,478	425,478,680	369,151,372	364,871,435
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
22	MATERIALS AND SUPPLIES	294,866,182	320,872,805	283,681,950	316,838,230	300,980,902
23	PREPAYMENTS	37,412,031	47,387,933	29,498,654	23,213,271	21,862,077
24	OTHER CURRENT AND ACCRUED ASSETS	32,677,568	49,478,598	49,887,090	52,501,392	36,877,957
25	TOTAL CURRENT AND ACCRUED ASSETS	1,625,032,025	1,598,240,298	1,389,165,630	1,106,430,182	1,085,283,143
26	UNAMORTIZED DEBT EXPENSE	20,417,887	15,811,048	16,973,968	18,154,502	19,352,485
27	EXTRAORDINARY PROPERTY LOSSES	60,740,772	31,910,678	37,016,386	6,721,110	33,605,550
28	PREL. SURVEY + INVESTIGATION CHARGES	178,302	3,131,048	-	-	-
29	CLEARING ACCOUNTS	2,744,174	3,524,777	3,884,793	3,358,790	2,951,152
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	8,425,450-	5,570,402-	7,688,497-	3,698,020-	-
32	ACCUMULATED DEFERRED INCOME TAXES	55,947,000	42,473,000	39,222,000	42,856,000	32,081,302
33	OTHER DEFERRED DEBITS	129,722,771	128,544,014	104,059,792	193,490,381	125,778,649
34	TOTAL DEFERRED DEBITS	283,325,447	219,824,161	193,480,462	260,882,833	213,379,136
35	TOTAL ASSETS AND OTHER DEBITS	$ 8,984,449,744	$ 8,724,984,572	$ 8,278,423,100	$ 7,911,223,382	$ 7,764,911,891
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 804,543,535	$ 649,460,585	$ 646,761,000	$ 642,627,220	$ 634,538,050
37	PREFERRED STOCK ISSUED	665,201,027	659,336,927	663,828,727	669,325,827	683,235,427
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	746,369,113	803,518,126	802,004,911	781,660,513	782,383,698
41	OTHER PAID-IN CAPITAL	-	-	-	-	-
42	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
43	CAPITAL STOCK EXPENSE	33,250,913-	35,083,426-	35,094,014-	34,871,280-	34,120,755-
44	RETAINED EARNINGS	2,632,986,161	2,503,797,871	2,287,687,139	1,983,471,364	1,758,560,193
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	326,362	286,479	312,024	281,532	314,293-
46	REACQUIRED CAPITAL STOCK	-	-	-	-	-
47	TOTAL PROPRIETARY CAPITAL	4,808,194,288	4,671,325,562	4,387,499,781	4,082,724,166	3,801,281,520
48	BONDS (LESS BONDS REACQUIRED)	2,407,889,500	2,482,889,500	2,522,889,500	2,567,889,500	2,689,569,500
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	256,415,036	505,326	590,795	671,700	748,285
51	NET UNAMORTIZED PREMIUM + DISCOUNT	1,160,058	1,393,918	1,627,778	1,893,384	2,186,507
52	TOTAL LONG-TERM DEBT	2,665,464,594	2,484,788,744	2,525,108,073	2,570,454,584	2,692,504,292
53	NOTES PAYABLE	-	-	-	-	-
54	ACCOUNTS PAYABLE	179,180,944	182,297,540	161,295,259	178,100,417	184,577,191
55	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
56	CUSTOMER DEPOSITS	116,107,083	101,956,559	88,276,383	79,754,681	74,920,571
57	TAXES ACCRUED	207,781,157	181,170,353	178,326,081	100,938,086	140,484,897
58	INTEREST ACCRUED	56,110,827	47,650,229	47,150,760	47,643,309	47,407,534
59	DIVIDENDS DECLARED	9,474,837	9,817,786	9,697,086	9,797,291	10,018,374
60	TAX COLLECTIONS PAYABLE	24,555,821	24,568,165	22,247,282	20,290,070	21,202,480
61	OTHER CURRENT AND ACCRUED LIABILITIES	185,815,083	164,068,768	148,486,514	141,275,661	145,865,557
62	TOTAL CURRENT AND ACCRUED LIABILITIES	779,005,752	711,339,399	653,479,464	577,799,515	624,476,604
63	CUSTOMER ADVANCES FOR CONSTRUCTION	2,772,657	1,990,124	960,217	524,400	19,657
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	283,158,000	281,490,000	240,990,000	225,280,000	196,200,000
66	OTHER DEFERRED CREDITS	71,265,803	78,555,908	60,820,706	70,615,098	97,111,740
	ACCUMULATED DEFERRED INCOME TAXES,					
67	ACCELERATED AMORTIZATION	526,000	796,000	1,647,000	2,415,000	3,192,627
68	LIBERALIZED DEPRECIATION	510,792,000	438,367,000	380,294,000	295,471,000	283,648,000
69	OTHER	64,146,000	70,627,000	68,053,000	107,742,000	88,527,238
70	TOTAL DEFERRED CREDITS	932,680,460	849,816,030	722,764,922	702,047,498	638,699,262
71	PROPERTY INSURANCE RESERVE	-	-	-	-	-
72	INJURIES AND DAMAGE RESERVE	9,124,653	7,724,837	9,570,880	8,197,619	7,970,213
73	PENSION AND BENEFITS RESERVE	-	-	-	-	-
74	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
75	TOTAL OPERATING RESERVES	9,124,653	7,724,837	9,570,880	8,197,619	7,970,213
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 8,984,449,744	$ 8,724,984,572	$ 8,278,423,100	$ 7,911,223,382	$ 7,764,911,891

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

CONSOLIDATED EDISON CO OF NEW YORK, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
	COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS					
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 4,419,118,403 $	4,620,768,540 $	4,412,056,304 $	4,020,287,718 $	3,985,518,322	1
OPERATION AND MAINTENANCE EXPENSE	2,362,134,796	2,573,982,014	2,459,515,317	2,346,825,751	2,431,194,471	2
DEPRECIATION EXPENSE	231,332,382	219,472,120	211,026,175	195,347,828	184,641,038	3
AMORTIZATION	7,416,601	5,980,104	14,148,289	26,884,440	20,163,336	4
TAXES OTHER THAN INCOME TAXES	621,408,715	603,342,481	742,650,255	658,757,519	622,504,257	5
INCOME TAXES	317,786,000	283,809,000	338,402,000	204,281,000	200,064,000	6
PROVISION FOR DEFERRED INCOME TAXES	138,855,000	227,453,000	166,327,000	202,754,000	303,997,000	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	98,242,000-	151,439,000-	156,022,000-	174,001,000-	312,309,000-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	197,821-	766,911-	575,183-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	3,779,493,673	3,961,832,808	3,775,471,853	3,460,829,536	3,450,255,102	12
NET OPERATING REVENUES	639,624,730	658,935,732	636,584,451	559,458,182	535,263,220	13
INC. FROM LSD. PLT. & OTHER OPER. INC	-	-	-	-	723,308	14
ELECTRIC UTILITY OPERATING INCOME	639,624,730	658,935,732	636,584,451	559,458,182	535,986,528	15
OTHER UTILITY OPERATING INCOME	75,518,482	92,029,610	92,197,303	78,208,484	58,389,830	16
TOTAL UTILITY OPERATING INCOME	715,143,212	750,965,342	728,781,754	637,666,666	594,376,358	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	4,285-	2,184-	4,954-	15,553-	5	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	298,368	277,738	243,482	316,995	304,131	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	59,883	81,191	94,379	89,758	78,178	21
INTEREST AND DIVIDEND INCOME	51,995,182	64,443,775	33,051,443	45,692,473	52,217,147	22
ALLOWANCE FOR CONSTRUCTION FUNDS	10,308,707	22,392,157	14,662,068	18,461,720	12,394,767	23
MISCELLANEOUS NONOPERATING INCOME	25,590	45,243	40,889	59,300	98,587	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	62,680,445	87,237,920	48,087,307	64,604,693	65,092,815	26
TOTAL INCOME	777,823,657	838,203,262	776,869,061	702,271,359	659,469,173	
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	1,098,300	1,027,097	734,787	723,476	804,373	28
INCOME TAXES-NONOPERATING	18,880,000	26,340,000	12,210,000	18,630,000	21,230,000	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	6,013,387	6,467,062	6,433,303	4,806,321	4,810,264	32
TOTAL INCOME DEDUCTIONS	25,969,687	33,834,159	19,378,090	24,159,797	26,844,637	33
INCOME BEFORE INTEREST CHARGES	751,853,970	804,369,103	757,490,971	678,111,562	632,624,536	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	168,121,326	161,689,219	163,397,990	165,348,403	168,778,087	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	1,219,284	1,162,941	1,180,605	1,197,893	1,227,212	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	233,880-	233,880-	286,606-	293,123-	387,384-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	19,015,974	21,779,642	17,342,189	19,307,289	14,980,588	39
TOTAL INTEREST CHARGES	188,122,724	184,397,942	181,655,178	185,560,462	184,598,523	40
INCOME BEFORE EXTRAORDINARY ITEMS	563,731,246	619,971,161	575,835,793	492,551,100	448,026,013	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 563,731,246 $	619,971,161 $	575,835,793 $	492,551,100 $	448,026,013	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,593,797,871 $	2,287,687,133 $	1,993,471,354 $	1,755,569,193 $	1,535,345,504	47
BALANCE TRANSFERRED FROM INCOME	563,661,063	620,016,706	575,805,301	491,955,275	447,966,123	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	38,352,979	38,649,403	38,971,380	39,507,816	40,502,576	50
-COMMON STOCK	296,922,029	275,246,410	242,608,007	214,535,143	187,249,704	51
ADJUSTMENTS TO RETAINED EARNINGS	169,168,755-	10,156-	10,155-	10,155-	10,154-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,632,985,161	2,593,797,871	2,287,687,133	1,993,471,354	1,755,569,193	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	326,362	288,479	312,024	281,532	314,293-	55
TOTAL RETAINED EARNINGS, END OF YEAR	$ 2,633,311,523 $	2,594,084,350 $	2,287,999,157 $	1,993,752,886 $	1,755,254,900	56
	SELECTED BALANCE SHEET RELATIONSHIPS					
ELEC. UTILITY PLANT/DOLLAR OF ELEC. REVENUE	1.82	1.68	1.70	1.80	1.76	57
OTHER UTILITY PLANT/DOLLAR OTHER REVENUE	1.38	1.25	1.17	1.16	1.28	58
TOTAL UTILITY PLANT/DOLLAR TOTAL REVENUE	1.73	1.60	1.60	1.67	1.67	59
CURRENT ASSETS / BY CURRENT LIABILITIES	2.09	2.25	2.14	1.91	1.74	60
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	36.6	34.7	36.6	38.8	41.4	61
PREFERRED STOCK	9.0	9.2	9.6	10.1	10.5	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	18.1	19.8	20.5	20.9	20.9	63
RETAINED EARNINGS	36.1	36.2	33.1	30.0	27.0	64
LONG-TERM DEBT % OF GROSS UTILITY PLANT	27.5	26.5	28.0	29.7	32.3	65
% OF NET UTILITY PLANT	37.5	36.0	37.8	39.3	42.4	66
ACCUM. PROVISION FOR DEPR. % OF UTILITY PLT	26.7	26.3	25.7	24.4	23.8	67
	SELECTED INCOME ACCOUNT RELATIONSHIPS					
ELECTRIC OPERATING REVENUES % OF TOTAL OPERATING REVENUES	80.1	80.4	79.8	79.1	81.7	68
PERCENT OF ELECTRIC OPERATING REVENUES:						
ELECTRIC OPERATION AND MAINTENANCE	53.4	55.7	55.7	58.3	61.0	69
ELECTRIC DEPRECIATION AND AMORTIZATION	5.4	4.8	5.1	5.5	5.1	70
TOTAL INCOME TAXES-ELECTRIC, OPERATING	8.0	7.7	7.9	5.7	4.8	71
OTHER TAXES-ELECTRIC, OPERATING	18.5	17.3	16.8	16.3	15.6	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL ELECTRIC OPERATING EXPENSE	85.5	85.7	85.5	86.0	86.5	74
ELECTRIC OPERATING INCOME	14.4	14.2	14.4	13.9	13.4	75
ELEC. DEPR. AND AMORT. % OF ELEC. UTILITY PLT	2.9	2.8	2.9	3.0	2.8	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	3.4	3.2	3.3	3.7	3.8	77
PRETAX INTEREST COVERAGE	6.2	6.1	6.4	5.2	4.8	78
NET INCOME-PERCENT OF OPERATING REVENUES	10.2	10.7	10.4	9.6	9.1	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.6	0.6	0.7	0.7	0.8	80
TIMES EARNED	14.7	16.0	14.8	12.5	11.1	81
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	5.3	4.7	4.3	4.2	3.8	82
% OF EARNINGS AVAILABLE FOR COMMON	56.5	47.3	45.1	47.3	45.9	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	13.1	15.0	15.1	13.9	13.5	84
DIVIDEND APPROPRIATIONS COMMON STOCK	7.4	7.1	6.8	6.5	6.2	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 583,731,246	$ 619,971,161	$ 575,835,793	$ 492,551,100	$ 448,028,013
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	318,841,688	280,771,958	289,848,174	278,095,698	245,932,397
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	77,820,000	110,610,000	27,990,000	62,410,000	34,040,000
4	INTEREST CAPITALIZED	10,305,707-	22,392,157-	14,862,068-	18,461,720-	12,394,767-
5	OTHER (NET):	17,008,004	-	-	-	36,735,178
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	987,095,231	988,960,980	879,011,899	814,595,078	752,338,821
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-		-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	987,095,231	988,960,980	879,011,899	814,595,078	752,338,821
10	LESS DIVIDENDS: PREFERRED	38,352,979	38,649,403	38,971,380	39,507,816	40,502,576
11	COMMON	296,922,029	275,246,410	242,608,007	214,535,143	187,249,704
12	NET FUNDS FROM INTERNAL SOURCES	631,820,223	675,065,147	597,432,532	560,552,119	524,586,541
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	256,000,000	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	23,002,078	15,965,185	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	256,000,000	-	23,002,078	15,965,185	-
20	OTHER SOURCES (NET):	40,880,625	-	49,043,488	4,806,403	108,037,299
21						
22						
23	TOTAL FUNDS PROVIDED	$ 928,700,848	$ 675,065,147	$ 669,478,098	$ 581,323,707	$ 632,623,840
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	ELECTRIC PLANT	$ 308,398,783	$ 305,291,258	$ 263,892,358	$ 264,438,144	$ 261,341,440
25	NUCLEAR PLANT	39,368,663	40,416,745	22,277,395	59,355,512	63,853,247
26	NUCLEAR FUEL	72,397,497	11,934,814	29,464,569	20,508,728	-
27	GAS PLANT	48,593,177	41,839,008	44,379,756	47,741,648	62,329,704
28	LIQUEFIED NATURAL GAS PLANT	54,392	62,714	326,825	356,392	304,005
29	STEAM PLANT	7,921,408	8,608,333	7,874,714	6,620,701	7,067,698
30	NON-UTILITY PLANT	-	-	-	-	-
31	OTHER	53,041,988	68,998,551	51,538,138	46,392,077	35,243,873
32	TOTAL GROSS ADDITIONS	530,673,927	477,151,423	419,753,751	445,413,200	430,139,967
33	LESS INTEREST CAPITALIZED	10,305,707	22,392,157	14,662,068	18,461,720	12,394,767
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	520,368,220	454,759,266	405,091,683	426,951,480	417,745,200
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	75,090,291	40,085,468	45,080,905	121,758,585	75,842,792
36	PREFERRED STOCK	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000
37	REDEMPTION OF CAPITAL STOCK	289,337,811	-	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
39	OTHER (NET):	-	-	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	366,678,102	42,335,468	47,330,905	124,008,585	78,092,792
42	OTHER USES (NET)	41,654,526	177,970,413	217,055,508	30,365,842	136,785,848
43						
44						
45	TOTAL FUNDS APPLIED	$ 928,700,848	$ 675,065,147	$ 669,478,098	$ 581,323,707	$ 632,623,840

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO.
		ELECTRIC OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 1,280,757,722	$ 1,381,800,884	$ 1,316,588,889	$ 1,177,735,153	$ 1,145,847,359	1
COMMERCIAL AND INDUSTRIAL	2,756,721,459	2,854,824,925	2,705,398,747	2,498,305,163	2,423,382,397	2
PUBLIC STREET AND HIGHWAY LIGHTING	598,796	950,464	520,373	477,626	435,085	3
OTHER PUBLIC AUTHORITIES	43,511,814	46,706,082	45,774,889	41,573,324	42,466,083	4
RAILROADS AND RAILWAYS	8,993,059	9,541,556	12,803,428	13,331,426	19,538,346	5
INTERDEPARTMENTAL	-	-	-	-	-	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	4,091,582,852	4,273,222,991	4,081,085,916	3,731,422,892	3,631,688,250	7
RESALE	105,768,909	145,675,358	147,480,938	118,798,919	193,838,158	8
TOTAL REVENUES FROM ELECTRIC SALES	4,197,351,561	4,418,898,349	4,228,566,854	3,850,221,611	3,825,506,408	9
OTHER ELECTRIC OPERATING REVENUES	221,766,842	201,870,191	183,489,450	170,066,107	160,011,914	10
TOTAL ELECTRIC OPERATING REVENUES	$ 4,419,118,403	$ 4,620,768,540	$ 4,412,056,304	$ 4,020,287,718	$ 3,985,518,322	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	8,098,945	8,253,770	8,280,776	7,685,840	7,723,440	12
COMMERCIAL AND INDUSTRIAL	21,014,951	20,672,844	20,020,122	19,190,515	18,952,082	13
PUBLIC STREET AND HIGHWAY LIGHTING	4,559	4,008	3,891	3,702	3,526	14
OTHER PUBLIC AUTHORITIES	395,155	385,886	385,248	349,558	364,994	15
RAILROADS AND RAILWAYS	56,478	73,281	104,172	110,158	145,781	16
INTERDEPARTMENTAL	-	-	-	-	-	17
TOTAL SALES TO ULTIMATE CONSUMERS	29,568,087	29,389,790	28,794,209	27,339,573	27,189,823	18
RESALE	2,605,674	3,021,233	2,894,671	2,420,305	3,112,367	19
TOTAL KILOWATT-HOUR SALES	32,173,761	32,411,023	31,688,880	29,759,878	30,302,189	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	2,448,981	2,434,131	2,416,159	2,402,712	2,390,365	21
COMMERCIAL AND INDUSTRIAL	356,198	348,330	344,972	342,593	339,823	22
PUBLIC STREET AND HIGHWAY LIGHTING	166	145	138	129	64	23
OTHER PUBLIC AUTHORITIES	999	973	907	911	738	24
RAILROADS AND RAILWAYS	4	4	4	4	4	25
INTERDEPARTMENTAL	-	-	-	-	-	26
TOTAL ULTIMATE CONSUMERS	2,806,326	2,783,589	2,762,178	2,746,349	2,730,994	27
RESALE	4	4	4	4	5	28
TOTAL CUSTOMERS	2,806,330	2,783,593	2,762,182	2,746,353	2,730,999	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 522.98	$ 559.38	$ 544.91	$ 490.17	$ 479.38	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	3,308	3,391	3,427	3,199	3,231	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	15.82	16.50	15.90	15.32	14.84	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 7,747.76	$ 8,195.75	$ 7,842.37	$ 7,292.34	$ 7,131.31	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	58,998	59,348	58,034	56,015	55,770	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	13.13	13.81	13.51	13.02	12.79	35
		ELECTRIC OPERATION AND MAINTENANCE EXPENSES				
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 789,215,225	$ 950,153,652	$ 1,004,187,815	$ 1,031,621,686	$ 1,171,451,687	36
OTHER	203,041,210	177,827,776	183,369,702	164,344,834	148,051,198	37
TOTAL STEAM POWER EXPENSES	992,256,435	1,127,981,428	1,187,557,517	1,195,966,520	1,319,502,885	38
NUCLEAR POWER						
FUEL	57,980,935	17,133,488	63,328,008	5,348,661	43,532,528	39
OTHER	58,850,521	96,839,413	49,910,880	68,663,820	54,506,317	40
TOTAL NUCLEAR POWER EXPENSES	116,831,456	113,972,901	113,238,888	74,012,481	98,038,845	41
HYDRAULIC POWER						
WATER FOR POWER	-	-	-	-	-	42
OTHER	-	-	-	-	-	43
TOTAL HYDRAULIC POWER EXPENSES	-	-	-	-	-	44
OTHER POWER GENERATION						
FUEL	14,052,096	27,149,824	16,217,388	11,873,544	35,218,963	45
OTHER	26,729,013	25,990,101	33,034,316	25,550,010	27,097,660	46
TOTAL OTHER POWER GENERATION EXPENSE	40,781,109	53,139,925	49,251,704	37,423,554	62,316,623	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	461,938,066	580,332,907	429,119,342	409,496,304	382,071,787	48
OTHER	8,391,584	4,060,888	4,108,789	3,526,943	3,233,976	49
TOTAL OTHER POWER SUPPLY EXPENSES	470,329,650	584,393,795	433,228,131	413,023,247	385,305,763	50
TOTAL POWER PRODUCTION EXPENSES	1,620,198,650	1,859,488,049	1,783,276,220	1,720,425,802	1,865,164,116	51
TRANSMISSION EXPENSES	82,048,620	85,167,038	76,183,931	54,505,119	56,529,828	52
DISTRIBUTION EXPENSES	211,858,082	194,302,592	194,672,845	174,287,942	157,306,392	53
CUSTOMER ACCOUNTS EXPENSES	143,187,430	147,066,852	134,586,301	133,823,054	128,744,987	54
SALES EXPENSES	6,537,010	9,244,547	7,905,943	6,750,959	5,958,701	55
ADMINISTRATIVE AND GENERAL	298,305,004	278,712,936	262,890,077	247,052,875	217,490,487	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 2,362,134,796	$ 2,573,982,014	$ 2,459,515,317	$ 2,346,825,751	$ 2,431,194,471	57
		ELECTRIC UTILITY PLANT*				
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	-	-	-	-	-	58
PRODUCTION PLANT						
STEAM	1,617,590,283	1,609,210,427	1,545,162,055	1,538,020,590	1,529,691,077	59
NUCLEAR	489,258,227	503,890,400	477,418,461	461,009,528	398,037,057	60
HYDRAULIC	-	-	-	-	-	61
OTHER	154,287,850	148,454,008	147,850,393	147,209,721	147,242,113	62
TRANSMISSION PLANT	1,371,270,045	1,328,899,577	1,282,794,681	1,205,463,387	1,154,951,296	63
DISTRIBUTION PLANT	4,055,520,800	3,832,080,390	3,691,869,502	3,615,733,535	3,491,149,842	64
GENERAL PLANT	-	-	-	-	-	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	284,759,447	252,877,878	240,942,863	175,711,917	172,463,303	68
TOTAL ELECTRIC PLANT IN SERVICE	7,972,684,232	7,675,392,430	7,385,837,935	7,143,148,678	6,893,534,688	69
PLANT LEASED TO OTHERS	-	-	-	-	-	70
PLANT HELD FOR FUTURE USE	8,461,150	8,359,723	7,865,833	7,526,076	7,511,830	71
CONSTRUCTION WORK IN PROGRESS	182,554,476	242,129,429	270,860,941	224,467,058	234,577,691	72
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	73
TOTAL ELECTRIC UTILITY PLANT	8,163,699,858	7,925,881,582	7,644,564,709	7,375,141,812	7,135,624,209	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	2,262,353,216	2,170,007,475	2,040,513,853	1,860,106,602	1,760,841,663	75
NET ELECTRIC UTILITY PLANT	$ 5,901,346,642	$ 5,755,874,107	$ 5,604,050,856	$ 5,515,035,210	$ 5,374,782,546	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 7,675,392,430	$ 7,385,837,936	$ 7,143,148,678	$ 6,893,534,688	$ 6,603,408,172	77
ADDITIONS	430,838,935	382,421,176	253,244,594	339,927,347	352,073,882	78
RETIREMENTS	134,944,472	72,842,289	67,485,746	90,231,017	62,834,282	79
TRANSFERS AND ADJUSTMENTS	1,397,339	24,393-	36,930,409	82,340-	686,936	80
PLANT IN SERVICE END OF YEAR	$ 7,972,684,232	$ 7,675,392,430	$ 7,385,837,935	$ 7,143,148,678	$ 6,893,534,688	81

*EXCLUDES ALLOCATION OF COMMON PLANT

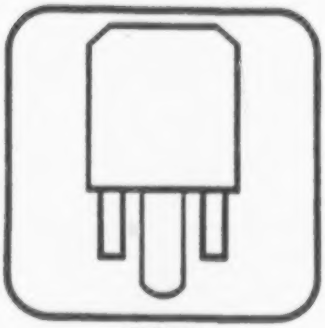
MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

YEARS ENDED DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES - ULTIMATE CONSUMERS	$ 4,313,349,494	$ 4,475,093,182	$ 4,264,575,386	$ 3,901,488,799	$ 3,791,680,164
2	SALES-ULTIMATE CONSUMERS (000 KWH)	29,568,087	29,389,790	28,794,208	27,339,573	27,169,822
				DOLLAR AMOUNTS		
3	FUEL AND PURCHASED POWER	$ 1,195,117,445	$ 1,390,582,844	$ 1,356,887,721	$ 1,321,938,462	$ 1,451,549,672
4	WAGES AND BENEFITS	665,351,514	632,240,968	575,472,726	557,347,570	508,782,942
5	OTHER OPERATION AND MAINTENANCE EXPENSES	370,793,465	383,183,032	367,720,184	328,717,681	286,300,889
6	DEPRECIATION AND AMORTIZATION EXPENSES	236,748,983	225,452,224	225,174,464	222,232,288	204,804,374
7	INCOME TAXES - OPERATING	357,399,000	359,823,000	348,707,000	233,013,000	191,752,000
8	OTHER TAXES - OPERATING	821,408,715	803,342,481	742,850,298	658,757,519	622,504,257
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	162,991,422	157,187,033	158,395,394	159,680,708	159,970,203
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	33,082,750	32,843,872	33,463,848	33,785,383	35,017,340
11	EARNINGS AVAILABLE FOR COMMON EQUITY	470,456,200	490,477,728	456,133,784	386,005,202	330,998,487
12	TOTAL	$ 4,313,349,494	$ 4,475,093,182	$ 4,264,575,386	$ 3,901,488,799	$ 3,791,680,164
				PERCENT OF REVENUES - ULTIMATE CONSUMERS		
13	FUEL AND PURCHASED POWER	27.7	31.1	31.8	33.9	38.3
14	WAGES AND BENEFITS	15.4	14.1	13.5	14.3	13.4
15	OTHER OPERATION AND MAINTENANCE EXPENSES	8.6	8.6	8.6	8.4	7.6
16	DEPRECIATION AND AMORTIZATION EXPENSES	5.5	5.0	5.3	5.7	5.4
17	INCOME TAXES - OPERATING	8.3	8.0	8.2	6.0	5.1
18	OTHER TAXES - OPERATING	19.0	18.0	17.4	16.9	16.4
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	3.8	3.5	3.7	4.1	4.2
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.8	0.7	0.8	0.9	0.9
21	EARNINGS AVAILABLE FOR COMMON EQUITY	10.9	11.0	10.7	9.9	8.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER KWH		
23	FUEL AND PURCHASED POWER	4.04	4.73	4.71	4.84	5.34
24	WAGES AND BENEFITS	2.25	2.15	2.00	2.04	1.87
25	OTHER OPERATION AND MAINTENANCE EXPENSES	1.25	1.30	1.28	1.20	1.05
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.81	0.77	0.78	0.81	0.75
27	INCOME TAXES - OPERATING	1.21	1.22	1.21	0.85	0.71
28	OTHER TAXES - OPERATING	2.78	2.73	2.58	2.41	2.29
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	0.55	0.53	0.54	0.58	0.59
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.11	0.11	0.12	0.12	0.13
31	EARNINGS AVAILABLE FOR COMMON EQUITY	1.58	1.67	1.59	1.41	1.22
32	TOTAL	14.59	15.23	14.81	14.27	13.95
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	87.71	87.81	87.84	88.06	88.24



POWER

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MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS, YEARS ENDED DECEMBER 31

LONG ISLAND LIGHTING COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 7,657,368,083	$ 6,794,794,131	$ 5,958,903,431	$ 5,095,104,663	$ 4,247,226,279
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	698,348,824	644,491,356	593,540,712	546,966,625	503,308,910
3	NET ELECTRIC UTILITY PLANT	6,959,019,259	6,150,302,775	5,365,362,719	4,548,138,038	3,743,917,369
4	OTHER UTILITY PLANT	509,870,542	477,749,877	463,616,367	441,636,738	415,175,457
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	154,722,264	144,073,214	133,757,278	125,551,217	117,306,536
6	NET OTHER UTILITY PLANT	355,148,278	333,676,663	329,859,089	316,085,521	297,868,921
7	TOTAL UTILITY PLANT	8,167,238,625	7,272,544,008	6,422,519,798	5,536,741,401	4,662,401,736
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	853,071,088	788,564,570	727,297,990	672,517,842	620,615,446
9	NET TOTAL UTILITY PLANT	7,314,167,537	6,483,979,438	5,695,221,808	4,864,223,559	4,041,786,290
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	1,885,950	2,810,569	2,815,520	2,823,013	2,863,678
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	519,522	569,669	636,925	608,056	547,010
13	OTHER INVESTMENTS	65,941,156	65,199,518	124,070,972	59,428,449	71,926,494
14	SPECIAL FUNDS	59,212	59,212	59,212	59,212	64,211
15	TOTAL OTHER PROPERTY AND INVESTMENTS	68,405,840	68,638,968	127,582,629	62,918,730	75,401,393
16	CASH	11,829,970	9,933,849	3,146,597	8,671,381	9,858,437
17	SPECIAL DEPOSITS	74,863,124	61,899,894	3,557,160	8,307,719	601,801
18	WORKING FUNDS	197,580	171,487	154,187	166,575	164,925
19	TEMPORARY CASH INVESTMENTS	3,300,000	21,600,000	272,073,860	18,200,000	42,200,000
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	177,601,513	183,446,914	168,028,746	149,785,401	149,241,024
21	RECEIVABLES FROM ASSOCIATED COMPANIES	1,838-	2,130-	2,572-	3,120	2,266
22	MATERIALS AND SUPPLIES	81,197,194	77,368,452	71,786,226	103,193,616	96,397,365
23	PREPAYMENTS	2,047,416	2,014,517	1,060,487	1,016,609	1,317,582
24	OTHER CURRENT AND ACCRUED ASSETS	63,415,219	70,969,727	67,198,107	71,875,276	62,074,984
25	TOTAL CURRENT AND ACCRUED ASSETS	414,450,178	427,402,710	587,002,798	361,219,694	361,858,384
26	UNAMORTIZED DEBT EXPENSE	31,833,338	31,852,357	18,603,746	17,446,019	15,100,799
27	EXTRAORDINARY PROPERTY LOSSES	25,537,410	42,512,850	-	474,412	991,953
28	PREL. SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
29	CLEARING ACCOUNTS	-	-	-	-	-
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	15,062,718-	11,865,267-	2,495,654-	1,428,027	1,673,639
32	ACCUMULATED DEFERRED INCOME TAXES	26,285,692	28,295,356	9,825,413	8,727,787	7,858,185
33	OTHER DEFERRED DEBITS	88,877,333	32,120,027	13,732,361	33,286,383	16,698,913
34	TOTAL DEFERRED DEBITS	157,471,055	122,915,323	39,665,866	61,362,628	42,323,489
35	TOTAL ASSETS AND OTHER DEBITS	$ 7,954,494,610	$ 7,102,938,439	$ 6,449,473,101	$ 5,349,724,611	$ 4,521,369,556
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 556,294,495	$ 551,080,780	$ 520,600,360	$ 502,864,435	$ 406,852,985
37	PREFERRED STOCK ISSUED	754,868,000	754,888,800	799,168,600	646,720,300	584,333,000
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	995,988,474	996,016,528	962,892,136	919,776,520	723,259,670
41	OTHER PAID-IN CAPITAL	3,637,299	3,637,299	1,333,416	1,084,427	512,793
42	INSTALLMENTS REC'D ON CAPITAL STOCK	107,481	342,890	337,245	443,061	467,871
43	CAPITAL STOCK EXPENSE	56,118,102-	56,103,001-	56,278,151-	50,334,877-	42,107,325-
44	RETAINED EARNINGS	1,480,471,867	956,192,008	579,961,235	501,660,906	439,209,440
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	172,471	184,293	153,997	125,128	76,082
46	REACQUIRED CAPITAL STOCK	7,653,963-	505,284-	1,771,600-	-	568,980-
47	TOTAL PROPRIETARY CAPITAL	3,727,768,012	3,205,674,313	2,506,397,238	2,522,339,900	2,112,035,536
48	BONDS (LESS BONDS REACQUIRED)	2,141,000,000	1,837,500,000	1,716,000,000	1,643,000,000	1,515,000,000
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	1,292,095,003	1,296,104,661	1,345,151,764	665,164,241	502,320,084
51	NET UNAMORTIZED PREMIUM + DISCOUNT	9,414,094-	9,658,157-	8,197,924-	5,604,200-	2,348,965-
52	TOTAL LONG-TERM DEBT	3,423,680,909	3,123,946,504	3,052,953,840	2,302,560,041	2,014,971,119
53	NOTES PAYABLE	-	-	-	-	-
54	ACCOUNTS PAYABLE	102,166,095	120,943,807	111,937,957	147,674,248	122,486,408
55	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
56	CUSTOMER DEPOSITS	14,013,590	12,761,596	12,230,663	10,865,230	9,768,577
57	TAXES ACCRUED	20,100,409	124,131,381	54,620,653	56,665,537	28,525,609
58	INTEREST ACCRUED	59,618,325	59,579,666	61,412,698	44,725,931	40,216,141
59	DIVIDENDS DECLARED	-	-	67,488,118	60,428,695	46,103,619
60	TAX COLLECTIONS PAYABLE	4,174,097	4,594,247	4,470,561	3,934,716	4,137,189
61	OTHER CURRENT AND ACCRUED LIABILITIES	45,267,803	39,051,309	23,817,666	23,821,444	26,308,500
62	TOTAL CURRENT AND ACCRUED LIABILITIES	245,340,319	361,062,006	335,978,516	348,115,801	277,546,043
63	CUSTOMER ADVANCES FOR CONSTRUCTION	4,428,264	3,364,718	3,021,885	2,619,722	2,162,140
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	289,045,446	243,906,530	143,790,116	90,795,116	59,036,116
66	OTHER DEFERRED CREDITS	183,838,163	106,482,667	71,461,297	47,454,081	3,582,604-
	ACCUMULATED DEFERRED INCOME TAXES,					
67	ACCELERATED AMORTIZATION	1,313,530	1,744,440	2,175,420	2,606,400	3,037,380
68	LIBERALIZED DEPRECIATION	39,516,513	26,938,127	20,908,819	17,393,431	15,969,913
69	OTHER	30,229,919	10,821,005	6,199,517	9,991,067	36,263,460
70	TOTAL DEFERRED CREDITS	548,371,836	393,256,687	247,557,054	170,859,817	112,886,405
71	PROPERTY INSURANCE RESERVE	-	-	925,926	925,926	500,000
72	INJURIES AND DAMAGE RESERVE	8,456,239	7,121,867	6,437,577	7,336,675	5,465,692
73	PENSION AND BENEFITS RESERVE	2,097,539	1,679,971	1,232,996	720,000	-
74	MISCELLANEOUS OPERATING RESERVES	1,220,243-	10,196,091	2,010,046-	3,133,549-	2,033,239-
75	TOTAL OPERATING RESERVES	9,333,535	18,997,929	6,586,453	5,849,052	3,932,453
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 7,954,494,610	$ 7,102,938,439	$ 6,449,473,101	$ 5,349,724,611	$ 4,521,369,556

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS
LONG ISLAND LIGHTING COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS						
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 1,679,391,113	$ 1,613,899,857	$ 1,436,386,072	$ 1,321,317,154	$ 1,403,561,783	1
OPERATION AND MAINTENANCE EXPENSE	814,083,487	873,608,384	860,843,264	794,635,117	897,304,745	2
DEPRECIATION EXPENSE	58,511,048	57,198,207	55,648,543	54,202,702	53,108,784	3
AMORTIZATION	16,975,440	5,658,480	-	-	-	4
TAXES OTHER THAN INCOME TAXES	224,376,077	213,691,217	201,841,488	173,808,343	167,535,128	5
INCOME TAXES	50,457,924	94,209,286	42,587,263	43,326,233	30,028,248	6
PROVISION FOR DEFERRED INCOME TAXES	155,588,303	91,232,848	47,886,272	36,852,001	54,225,313	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	12,478,513	3,304,377-	3,007,411-	2,619,373-	4,924,198-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	475,584	454,239	9
GAINS FROM DISPOSITION OF UTILITY PLT	1,413-	-	-	4,765-	1,980-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	1,332,475,359	1,332,294,012	1,195,799,419	1,100,675,842	1,197,730,279	12
NET OPERATING REVENUES	346,915,754	281,405,645	240,565,653	220,641,312	205,831,504	13
INC. FROM LSD. PLT. & OTHER OPER. INC	-	-	-	-	-	14
ELECTRIC UTILITY OPERATING INCOME	346,915,754	281,405,645	240,565,653	220,641,312	205,831,504	15
OTHER UTILITY OPERATING INCOME	41,224,184	32,454,022	28,982,172	27,134,553	22,204,753	16
TOTAL UTILITY OPERATING INCOME	388,139,938	313,859,667	269,547,825	247,775,865	228,036,257	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	38,691-	81,143	119,210-	191,842-	99,254-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	87,238	1,909-	14,988-	31,375-	20,988-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	66,504	68,621	87,194	84,041	15,536-	21
INTEREST AND DIVIDEND INCOME	2,414,817	20,993,947	12,892,725	6,575,347	5,400,138	22
ALLOWANCE FOR CONSTRUCTION FUNDS	378,239,590	310,120,981	284,841,162	201,376,733	148,008,187	23
MISCELLANEOUS NONOPERATING INCOME	39,768-	39,938-	69,658-	71,683-	53,313-	24
GAIN ON DISPOSITION OF PROPERTY	13,120	-	22,567	289,493	123,673	25
TOTAL OTHER INCOME	380,722,810	331,222,845	297,639,794	208,030,734	153,340,910	26
TOTAL INCOME	768,862,748	645,082,512	567,187,619	455,808,599	381,377,167	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	353,495	3,758,779-	148,331-	88,725-	371,989-	28
INCOME TAXES-NONOPERATING	85,049,531-	81,003,124-	31,511,016-	39,915,045-	26,579,269-	29
LOSS ON DISPOSITION OF PROPERTY	6,486	-	54	8,977	-	30
MISCELLANEOUS AMORTIZATION	-	599,289	1,177,407	1,177,407	1,177,407	31
MISCELLANEOUS INCOME DEDUCTIONS	2,727,274	13,494,787	3,283,747	2,869,165	942,876	32
TOTAL INCOME DEDUCTIONS	81,962,277-	70,687,827-	27,198,139-	35,948,201-	24,830,975-	33
INCOME BEFORE INTEREST CHARGES	850,825,025	715,750,339	594,385,758	491,754,800	406,208,142	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	310,975,697	275,978,832	214,952,213	170,574,406	134,173,882	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	11,257,645	5,825,519	2,126,276	1,805,826	1,367,622	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	115,692-	127,038-	129,173-	131,298-	131,813-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	4,419,348	6,285,120	12,462,783	10,112,284	23,065,900	39
TOTAL INTEREST CHARGES	326,536,998	287,962,433	229,412,099	182,361,218	158,475,591	40
INCOME BEFORE EXTRAORDINARY ITEMS	524,288,027	427,787,908	364,973,659	309,303,582	247,732,551	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 524,288,027	$ 427,787,908	$ 364,973,659	$ 309,393,582	$ 247,732,551	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 956,192,008	$ 579,981,235	$ 501,880,906	$ 439,209,440	$ 390,986,099	47
BALANCE TRANSFERRED FROM INCOME	524,279,849	427,777,810	364,944,790	309,344,537	247,783,081	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	-	51,545,380	78,998,038	60,008,989	49,286,212	50
-COMMON STOCK	-	258	207,628,164	188,884,102	150,270,330	51
ADJUSTMENTS TO RETAINED EARNINGS	-	1,199-	38,259-	-	1,198-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,480,471,857	956,192,008	579,981,235	501,880,906	439,209,440	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	172,471	164,293	153,997	125,128	76,082	55
TOTAL RETAINED EARNINGS, END OF YEAR	$ 1,480,644,328	$ 956,356,301	$ 580,115,232	$ 501,806,034	$ 439,285,522	56
SELECTED BALANCE SHEET RELATIONSHIPS						
ELEC. UTILITY PLANT/DOLLAR OF ELEC REVENUE	4.30	3.95	3.85	3.54	2.83	57
OTHER UTILITY PLANT/DOLLAR OTHER REVENUE	1.13	0.97	1.01	1.10	1.23	58
TOTAL UTILITY PLANT/DOLLAR TOTAL REVENUE	3.65	3.28	3.17	2.98	2.53	59
CURRENT ASSETS / BY CURRENT LIABILITIES	1.69	1.18	1.75	1.04	1.30	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	47.8	49.3	52.1	47.7	48.8	61
PREFERRED STOCK	10.5	11.9	13.6	13.4	14.1	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	20.8	23.6	24.3	28.4	26.3	63
RETAINED EARNINGS	20.7	15.1	9.8	10.3	10.8	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	41.9	42.9	47.5	41.5	43.2	65
% OF NET UTILITY PLANT	46.8	48.1	53.6	47.3	49.8	66
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	10.4	10.8	11.3	12.1	13.3	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
ELECTRIC OPERATING REVENUES: % OF TOTAL OPERATING REVENUES	79.2	78.9	76.2	77.2	81.1	68
PERCENT OF ELECTRIC OPERATING REVENUES:						
ELECTRIC OPERATION AND MAINTENANCE	48.4	54.1	59.2	60.1	63.9	69
ELECTRIC DEPRECIATION AND AMORTIZATION	4.4	3.8	3.8	4.1	3.7	70
TOTAL INCOME TAXES-ELECTRIC, OPERATING	13.0	11.2	6.0	5.9	5.6	71
OTHER TAXES-ELECTRIC, OPERATING	13.3	13.2	14.0	13.1	11.9	72
GAINS/LOSSES FROM DISP.OF UTILITY PLANT	-	-	-	-	-	73
TOTAL ELECTRIC OPERATING EXPENSE	79.3	82.5	83.2	83.3	85.3	74
ELECTRIC OPERATING INCOME	20.6	17.4	16.7	16.6	14.8	75
ELEC.DEPR.AND AMORT % OF ELEC. UTILITY PLT	0.9	0.9	0.9	1.0	1.2	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	15.4	13.7	12.2	10.7	9.2	77
PRETAX INTEREST COVERAGE *	2.8	2.4	2.5	2.4	2.3	78
NET INCOME-PERCENT OF OPERATING REVENUES	24.7	20.3	19.3	18.0	14.3	79
DIVIDEND APPROPRIATIONS,PREFERRED STOCK: **						
PERCENT OF OPERATING REVENUES	3.9	4.1	4.1	3.5	2.8	80
TIMES EARNED	6.3	4.9	4.6	5.2	5.0	81
DIVIDEND APPROPRIATIONS,COMMON STOCK:						
PERCENT OF OPERATING REVENUES	-	-	11.0	10.9	8.8	82
% OF EARNINGS AVAILABLE FOR COMMON	-	-	72.6	74.9	75.7	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	16.2**	15.2**	14.7	14.6	13.9	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	10.6	10.9	10.5	85

*LONG ISLAND LIGHTING COMPANY INCLUDES INTEREST ON TRUST OBLIGATIONS.

**CALCULATION ASSUMES LONG ISLAND LIGHTING COMPANY'S PREFERRED DIVIDENDS ARE ACCRUED

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

LONG ISLAND LIGHTING COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 524,288,027	$ 427,787,908	$ 364,973,659	$ 309,393,582	$ 247,732,550
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	83,884,214	71,390,748	64,477,554	62,628,005	61,053,711
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	153,530,738	101,719,289	65,019,864	48,052,657	59,179,814
4	INTEREST CAPITALIZED	378,239,591-	310,120,980-	284,841,162-	201,376,733-	148,006,188-
5	OTHER (NET):	28,649,846	24,726,099	13,166,782	13,608,107	7,296,030
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	411,893,033	315,503,081	222,796,697	232,305,619	227,255,917
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	411,893,033	315,503,081	222,796,697	232,305,619	227,255,917
10	LESS DIVIDENDS: PREFERRED	-	51,545,379	78,998,037	60,008,969	49,288,202
11	COMMON	-	258	207,625,164	186,864,102	150,270,340
12	NET FUNDS FROM INTERNAL SOURCES	411,893,033	263,957,424	63,829,504-	14,567,452-	27,697,375
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	503,729,554	264,500,000	685,000,000	217,200,000	300,000,000
14	PREFERRED STOCK	-	-	171,768,990	76,120,614	65,338,645
15	COMMON STOCK	2,180,427-	63,584,811	54,351,541	292,528,300	161,409,416
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET):	54,292,006-	84,990,491-	175,039,568	145,692,004	87,893,715
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	447,257,121	243,094,320	1,086,160,099	731,540,918	614,701,776
20	OTHER SOURCES (NET):	1,204,313	291,479,720	37,755,964	96,271,606	35,933,616
21						
22						
23	TOTAL FUNDS PROVIDED	$ 860,354,467	$ 798,531,464	$ 1,060,086,559	$ 813,245,072	$ 678,332,767
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	ELECTRIC PLANT	$ 64,819,829	$ 44,603,222	$ 66,684,250	$ 73,120,877	$ 61,424,382
25	NUCLEAR PLANT	832,200,015	904,210,329	655,484,188	647,051,213	416,703,829
26	NUCLEAR FUEL	9,574,555	9,089,555	91,839-	79,415	22,256
27	GAS PLANT	21,200,071	12,742,450	18,557,021	22,386,672	23,627,079
28	LIQUEFIED NATURAL GAS PLANT	548,873	318,727	390,164	231,072	138,969
29	STEAM PLANT	-	-	-	-	-
30	NON-UTILITY PLANT	-	-	-	-	-
31	OTHER	27,159,893-	49,908,769-	158,652,923	145,692,004	87,893,715
32	TOTAL GROSS ADDITIONS	901,183,450	921,053,514	899,676,707	888,561,253	589,810,230
33	LESS INTEREST CAPITALIZED	378,239,591	310,120,980	284,841,162	201,376,733	148,006,188
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	522,943,859	610,932,534	614,835,545	687,184,520	441,804,042
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	149,947,208	107,058,611	107,052,046	72,047,847	60,043,987
36	PREFERRED STOCK	800	40,729,602	14,323,300	12,612,700	9,117,230
37	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	142,221,297
39	OTHER (NET)	-	-	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	149,948,008	147,788,213	121,375,246	84,660,547	211,382,514
42	OTHER USES (NET)	187,462,602	39,812,717	323,875,668	41,400,005	25,146,211
43						
44						
45	TOTAL FUNDS APPLIED	$ 860,354,467	$ 798,531,464	$ 1,060,086,559	$ 813,245,072	$ 678,332,767

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

LONG ISLAND LIGHTING COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO.
	ELECTRIC OPERATING REVENUES					
REVENUES						
RESIDENTIAL	$ 772,861,328	$ 752,123,226	$ 674,190,516	$ 608,384,188	$ 634,378,318	1
COMMERCIAL AND INDUSTRIAL	844,636,179	796,542,942	694,038,218	639,359,789	666,077,680	2
PUBLIC STREET AND HIGHWAY LIGHTING	18,675,055	19,003,416	17,319,828	16,779,259	17,697,575	3
OTHER PUBLIC AUTHORITIES	25,755,288	23,985,547	21,137,977	19,384,274	27,745,715	4
RAILROADS AND RAILWAYS	-	-	-	-	-	5
INTERDEPARTMENTAL	424,870	303,010	417,644	802,307	842,593	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	1,662,352,720	1,591,958,141	1,407,104,183	1,284,709,817	1,346,741,881	7
RESALE	13,025,438	24,187,105	25,985,075	30,709,237	50,404,320	8
TOTAL REVENUES FROM ELECTRIC SALES	1,675,378,158	1,616,145,246	1,433,089,258	1,315,419,054	1,397,146,201	9
OTHER ELECTRIC OPERATING REVENUES	4,012,955	2,445,589-	3,275,814	5,898,100	6,415,582	10
TOTAL ELECTRIC OPERATING REVENUES	$ 1,679,391,113	$ 1,613,699,657	$ 1,436,365,072	$ 1,321,317,154	$ 1,403,561,783	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	5,970,093	6,000,314	5,899,768	5,557,374	5,580,752	12
COMMERCIAL AND INDUSTRIAL	7,368,337	7,129,398	6,797,032	6,523,803	6,493,566	13
PUBLIC STREET AND HIGHWAY LIGHTING	178,206	182,237	181,431	181,560	179,804	14
OTHER PUBLIC AUTHORITIES	271,714	258,345	251,707	241,889	345,080	15
RAILROADS AND RAILWAYS	-	-	-	-	-	16
INTERDEPARTMENTAL	8,543	6,538	9,096	14,994	16,390	17
TOTAL SALES TO ULTIMATE CONSUMERS	13,796,892	13,576,830	13,139,034	12,519,621	12,615,592	18
RESALE	227,382	424,774	513,510	566,545	787,381	19
TOTAL KILOWATT-HOUR SALES	14,024,274	14,001,604	13,652,543	13,086,166	13,402,973	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	850,683	840,843	833,164	825,740	818,879	21
COMMERCIAL AND INDUSTRIAL	90,548	88,459	86,687	85,016	83,900	22
PUBLIC STREET AND HIGHWAY LIGHTING	4,225	4,172	4,100	4,199	4,513	23
OTHER PUBLIC AUTHORITIES	164	164	165	165	165	24
RAILROADS AND RAILWAYS	-	-	-	-	-	25
INTERDEPARTMENTAL	-	-	-	-	-	26
TOTAL ULTIMATE CONSUMERS	945,620	933,638	924,116	915,120	907,457	27
RESALE	3	3	3	4	4	28
TOTAL CUSTOMERS	945,623	933,641	924,119	915,124	907,461	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 908.52	$ 894.49	$ 809.19	$ 736.77	$ 774.69	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	7,018	7,136	7,081	6,730	6,815	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	12.95	12.53	11.43	10.95	11.37	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	9,328.05	$ 9,004.66	$ 8,006.25	$ 7,520.46	$ 7,938.95	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	81,375	80,595	78,409	76,736	77,397	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	11.46	11.17	10.21	9.80	10.28	35
	ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 497,823,276	$ 552,577,713	$ 503,064,680	$ 491,081,115	$ 572,994,045	36
OTHER	41,013,270	35,349,140	40,840,472	41,594,379	40,657,609	37
TOTAL STEAM POWER EXPENSES	538,836,546	587,926,853	543,905,152	532,675,494	613,651,654	38
NUCLEAR POWER						
FUEL	-	-	-	-	-	39
OTHER	-	-	-	-	-	40
TOTAL NUCLEAR POWER EXPENSES	-	-	-	-	-	41
HYDRAULIC POWER						
WATER FOR POWER	-	-	-	-	-	42
OTHER	-	-	-	-	-	43
TOTAL HYDRAULIC POWER EXPENSES	-	-	-	-	-	44
OTHER POWER GENERATION						
FUEL	16,761,118	16,285,582	13,784,155	10,320,460	15,260,073	45
OTHER	5,826,880	5,818,713	5,543,631	3,820,528	4,739,725	46
TOTAL OTHER POWER GENERATION EXPENSE	22,587,998	22,104,295	19,327,786	14,140,988	19,999,798	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	113,090,171	122,207,517	127,027,974	105,422,578	130,340,912	48
OTHER	2,074,755	2,058,720	1,607,469	1,287,478	1,529,768	49
TOTAL OTHER POWER SUPPLY EXPENSES	115,164,926	124,266,237	128,635,443	106,710,056	131,870,680	50
TOTAL POWER PRODUCTION EXPENSES	676,589,468	734,297,385	691,868,381	653,526,538	765,522,132	51
TRANSMISSION EXPENSES	13,934,425	11,093,572	14,336,629	11,278,553	10,888,399	52
DISTRIBUTION EXPENSES	39,336,791	36,431,702	40,413,535	40,070,121	37,339,217	53
CUSTOMER ACCOUNTS EXPENSES	29,051,016	27,443,643	29,981,775	27,790,273	27,398,267	54
SALES EXPENSES	1,509,514	4,278,626	7,526,984	4,988,758	4,108,325	55
ADMINISTRATIVE AND GENERAL	53,672,247	60,063,436	66,715,960	56,980,874	52,048,405	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 814,093,467	$ 873,608,364	$ 850,843,264	$ 794,635,117	$ 897,304,745	57
	ELECTRIC UTILITY PLANT*					
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	-	-	-	-	-	58
PRODUCTION PLANT						
STEAM	601,815,077	599,828,947	592,421,554	584,757,759	585,692,700	59
NUCLEAR	-	-	-	-	-	60
HYDRAULIC	-	-	-	-	-	61
OTHER	116,980,889	116,964,910	118,200,118	117,781,955	117,586,872	62
TRANSMISSION PLANT	392,160,214	364,130,332	358,381,369	348,126,207	343,892,000	63
DISTRIBUTION PLANT	726,812,446	706,609,534	686,286,544	653,875,667	619,364,387	64
GENERAL PLANT	36,802,122	33,889,902	33,083,386	32,150,568	26,748,208	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	189,625,980	167,384,912	155,665,202	139,029,347	111,633,440	68
TOTAL ELECTRIC PLANT IN SERVICE	2,063,996,690	1,988,808,537	1,943,998,153	1,875,721,503	1,804,917,607	69
PLANT LEASED TO OTHERS	-	-	-	-	-	70
PLANT HELD FOR FUTURE USE	8,904,687	10,157,897	10,157,897	11,713,797	11,748,797	71
CONSTRUCTION WORK IN PROGRESS	5,584,466,706	4,795,829,698	4,004,747,381	3,207,669,363	2,430,559,875	72
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	73
TOTAL ELECTRIC UTILITY PLANT	7,657,368,083	6,794,794,131	5,958,903,431	5,095,104,663	4,247,226,279	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	698,348,824	644,491,356	593,540,712	546,966,625	503,308,910	75
NET ELECTRIC UTILITY PLANT	$ 6,959,019,259	$ 6,150,302,775	$ 5,365,362,719	$ 4,548,138,038	$ 3,743,917,369	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,988,808,537	$ 1,943,998,153	$ 1,875,721,503	$ 1,804,917,607	$ 1,752,414,114	77
ADDITIONS	79,842,947	61,258,254	75,822,684	81,701,792	99,330,312	78
RETIREMENTS	4,652,794	6,051,041	8,975,658	11,004,111	18,442,254	79
TRANSFERS AND ADJUSTMENTS	-	10,398,829-	1,429,644	106,215	28,384,565-	80
PLANT IN SERVICE END OF YEAR	$ 2,063,996,690	$ 1,988,808,536	$ 1,943,998,153	$ 1,875,721,503	$ 1,804,917,607	81

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

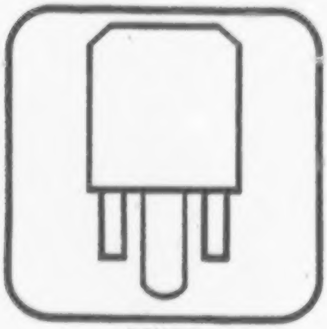
YEARS ENDED DECEMBER 31

LONG ISLAND LIGHTING COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES - ULTIMATE CONSUMERS	$ 1,666,385,675	$ 1,589,512,552	$ 1,410,379,997	$ 1,290,607,917	$ 1,353,157,463
2	SALES-ULTIMATE CONSUMERS (000 KWH)	13,796,892	13,578,829	13,139,033	12,519,620	12,615,592
				DOLLAR AMOUNTS		
3	FUEL AND PURCHASED POWER	$ 618,384,882	$ 671,460,009	$ 621,547,694	$ 583,470,980	$ 681,382,245
4	WAGES AND BENEFITS	95,836,970	105,028,420	111,561,435	104,978,425	96,198,671
5	OTHER OPERATION AND MAINTENANCE EXPENSES	90,353,139	77,084,359	94,891,511	82,281,229	81,721,883
6	DEPRECIATION AND AMORTIZATION EXPENSES	75,486,488	62,856,687	55,648,543	54,202,702	53,108,784
7	INCOME TAXES - OPERATING	218,520,740	182,137,743	87,466,124	78,034,445	79,783,802
8	OTHER TAXES - OPERATING	224,376,077	213,891,217	201,841,488	173,808,343	167,535,128
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS**	158,698,509	114,901,338	103,653,468	90,998,290	86,769,377
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	32,750,134***	35,615,468***	29,984,167	26,131,566	23,629,685
11	EARNINGS AVAILABLE FOR COMMON EQUITY	151,980,696	126,736,311	103,785,567	96,721,937	83,028,288
12	TOTAL	$ 1,666,385,675	$ 1,589,512,552	$ 1,410,379,997	$ 1,290,607,917	$ 1,353,157,463
				PERCENT OF REVENUES - ULTIMATE CONSUMERS		
13	FUEL AND PURCHASED POWER	37.1	42.2	44.1	45.2	50.4
14	WAGES AND BENEFITS	5.8	6.6	7.9	8.1	7.1
15	OTHER OPERATION AND MAINTENANCE EXPENSES	5.4	4.8	6.7	6.4	6.0
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.5	4.0	3.9	4.2	3.9
17	INCOME TAXES - OPERATING	13.1	11.5	6.2	6.0	5.9
18	OTHER TAXES - OPERATING	13.5	13.4	14.3	13.5	12.4
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS**	9.5	7.2	7.3	7.1	6.4
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	2.0***	2.2***	2.1	2.0	1.7
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.1	8.0	7.4	7.5	6.1
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER KWH		
23	FUEL AND PURCHASED POWER	4.48	4.95	4.73	4.66	5.40
24	WAGES AND BENEFITS	0.69	0.77	0.85	0.84	0.76
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.65	0.57	0.72	0.66	0.65
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.55	0.46	0.42	0.43	0.42
27	INCOME TAXES - OPERATING	1.58	1.34	0.67	0.62	0.63
28	OTHER TAXES - OPERATING	1.63	1.57	1.54	1.39	1.33
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS**	1.15	0.85	0.79	0.73	0.69
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.24***	0.26***	0.23	0.21	0.19
31	EARNINGS AVAILABLE FOR COMMON EQUITY	1.10	0.93	0.79	0.77	0.66
32	TOTAL	12.08	11.71	10.73	10.31	10.73
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS:	96.07	95.74	95.21	94.58	93.82

**LONG ISLAND LIGHTING COMPANY INCLUDES INTEREST ON TRUST OBLIGATIONS

***CALCULATION ASSUMES LONG ISLAND LIGHTING COMPANY'S PREFERRED DIVIDENDS ARE ACCRUED



POWER

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS, YEARS ENDED DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 3,925,477,016	$ 3,662,914,381	$ 3,250,399,868	$ 2,745,027,810	$ 2,208,278,284
2	ACCUM. PROVISION FOR DEPR. AND AMORT	620,151,836	554,134,950	504,171,691	471,555,646	438,512,165
3	NET ELECTRIC UTILITY PLANT	3,305,325,180	3,108,779,431	2,746,228,177	2,273,472,164	1,769,766,119
4	OTHER UTILITY PLANT	227,168,745	207,894,690	191,187,221	188,220,361	182,433,675
5	ACCUM. PROVISION FOR DEPR. AND AMORT	68,133,811	63,773,310	58,946,367	54,915,287	51,066,669
6	NET OTHER UTILITY PLANT	159,034,934	144,121,380	132,240,854	133,305,074	131,367,006
7	TOTAL UTILITY PLANT	4,152,645,761	3,870,809,071	3,441,587,089	2,933,248,171	2,390,711,959
8	ACCUM. PROVISION FOR DEPR. AND AMORT	688,285,647	617,908,260	563,118,058	526,470,933	489,578,834
9	NET TOTAL UTILITY PLANT	3,464,360,114	3,252,900,811	2,878,469,031	2,406,777,238	1,901,133,125
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	3,111,881	3,122,221	3,931,070	3,508,710	3,289,927
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	212,000	212,000	212,000	212,000	200,000
13	OTHER INVESTMENTS	7,790,000	13,890,000	14,140,000	15,590,000	16,590,000
14	SPECIAL FUNDS	284,502	272,814	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	11,378,353	17,497,035	17,883,070	19,310,710	20,069,927
16	CASH	5,999,167-	6,892,778-	4,185,384	5,513,570	6,178,852
17	SPECIAL DEPOSITS	13,598,507	70,192,118	10,245,854	32,721,930	6,198,345
18	WORKING FUNDS	5,020,153	808,342	1,841,077	2,098,707	1,031,856
19	TEMPORARY CASH INVESTMENTS	8,500,000	10,300,000	-	-	-
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	116,240,072	114,588,322	93,897,392	80,099,941	80,188,954
21	RECEIVABLES FROM ASSOCIATED COMPANIES	110,788	71,872	83,817	-	-
22	MATERIALS AND SUPPLIES	96,798,725	98,758,149	88,904,705	84,019,122	87,088,926
23	PREPAYMENTS	20,189,988	20,033,847	17,080,888	13,004,185	12,079,297
24	OTHER CURRENT AND ACCRUED ASSETS	1,119,252	2,934,518	844,021	2,847,440	844,641
25	TOTAL CURRENT AND ACCRUED ASSETS	294,548,294	310,786,387	184,843,015	209,306,961	193,585,471
26	UNAMORTIZED DEBT EXPENSE	60,525,860	26,012,922	22,748,892	12,702,298	7,915,882
27	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
28	PREL. SURVEY + INVESTIGATION CHARGES	1,324,486	2,287,221	2,970,729	3,187,773	2,926,846
29	CLEARING ACCOUNTS	36,246-	505,507-	799,600	29,280	317,196
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	183,880-	27,383	383,830-	531,444-	9,441-
32	ACCUMULATED DEFERRED INCOME TAXES	15,200,987	22,080,677	10,082,080	12,790,385	8,092,109
33	OTHER DEFERRED DEBITS	108,256,294	40,868,294	15,302,676	38,898,200	26,298,762
34	TOTAL DEFERRED DEBITS	186,084,252	90,756,000	51,520,130	66,906,482	43,539,113
35	TOTAL ASSETS AND OTHER DEBITS	$ 3,916,371,023	$ 3,671,948,233	$ 3,142,715,248	$ 2,702,380,401	$ 2,128,297,637
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 380,046,582	$ 347,182,736	$ 323,344,776	$ 264,592,309	$ 217,498,365
37	PREFERRED STOCK ISSUED	282,820,000	277,300,000	278,960,000	236,075,000	246,812,500
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	480,349,216	447,719,373	406,471,585	283,850,783	211,759,204
41	OTHER PAID-IN CAPITAL	29,346,985	29,480,961	29,480,273	29,408,747	29,482,342
42	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
43	CAPITAL STOCK EXPENSE	8,173,925-	8,283,296-	8,185,953-	8,722,744-	8,408,197-
44	RETAINED EARNINGS	469,891,779	418,472,383	352,524,176	317,484,842	270,484,490
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
46	REACQUIRED CAPITAL STOCK	-	-	-	-	-
47	TOTAL PROPRIETARY CAPITAL	1,583,880,637	1,511,861,177	1,382,604,828	1,124,689,097	968,521,724
48	BONDS (LESS BONDS REACQUIRED)	1,274,460,000	1,238,134,000	1,060,940,000	985,081,000	844,147,000
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	481,741,831	404,802,194	222,125,000	128,575,000	18,575,000
51	NET UNAMORTIZED PREMIUM + DISCOUNT	1,615,196-	1,852,077-	983,744-	497,464-	676,283
52	TOTAL LONG-TERM DEBT	1,754,606,435	1,639,084,077	1,282,081,256	1,081,138,548	863,398,283
53	NOTES PAYABLE	118,300,000	80,100,000	97,750,000	98,680,000	35,000,000
54	ACCOUNTS PAYABLE	75,651,462	104,288,625	131,926,074	152,083,783	77,980,279
55	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
56	CUSTOMER DEPOSITS	3,330,953	2,846,678	2,488,420	2,348,893	2,300,038
57	TAXES ACCRUED	5,046,133	9,895,768	8,051,953	12,046,318	16,570,019
58	INTEREST ACCRUED	61,949,517	93,418,781	34,988,042	32,950,648	20,980,434
59	DIVIDENDS DECLARED	8,090,101	6,816,190	6,752,086	9,928,009	4,886,798
60	TAX COLLECTIONS PAYABLE	1,909,114	2,989,802	2,200,247	1,951,013	2,008,479
61	OTHER CURRENT AND ACCRUED LIABILITIES	43,357,953	40,811,318	38,128,449	41,111,980	40,821,036
62	TOTAL CURRENT AND ACCRUED LIABILITIES	308,643,323	280,805,100	317,283,251	344,238,682	200,103,054
63	CUSTOMER ADVANCES FOR CONSTRUCTION	5,169,800	4,444,024	1,087,231	1,090,996	819,638
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	75,438,080	73,711,247	51,023,498	42,180,733	33,695,051
66	OTHER DEFERRED CREDITS	18,290,546	34,831,087	12,698,774	14,389,175	4,234,812
	ACCUMULATED DEFERRED INCOME TAXES:					
67	ACCELERATED AMORTIZATION	2,129,868	2,682,417	3,284,821	3,989,751	4,819,901
68	LIBERALIZED DEPRECIATION	112,908,540	71,494,811	43,527,821	31,001,247	20,488,183
69	OTHER	60,174,024	62,954,253	48,833,759	49,951,254	31,041,013
70	TOTAL DEFERRED CREDITS	272,070,628	240,197,819	180,546,904	142,113,176	95,074,596
71	PROPERTY INSURANCE RESERVE	-	-	-	-	-
72	INJURIES AND DAMAGE RESERVE	200,000	200,000	200,000	200,000	200,000
73	PENSION AND BENEFITS RESERVE	-	-	-	-	-
74	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
75	TOTAL OPERATING RESERVES	200,000	200,000	200,000	200,000	200,000
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,916,371,023	$ 3,671,948,233	$ 3,142,715,248	$ 2,702,380,401	$ 2,128,297,637

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

NEW YORK STATE ELECTRIC & GAS CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
	COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS					
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 1,051,578,386 $	921,248,100 $	785,723,373 $	768,716,991 $	674,740,124	1
OPERATION AND MAINTENANCE EXPENSE	539,946,863	481,848,174	420,708,597	432,077,846	380,288,212	2
DEPRECIATION EXPENSE	92,248,880	80,306,686	52,209,519	48,707,301	46,288,509	3
AMORTIZATION	1,913,919	506,287	486,424	507,694	387,534	4
TAXES OTHER THAN INCOME TAXES	97,980,257	86,856,035	75,120,302	68,915,254	60,773,446	5
INCOME TAXES	9,278,082	28,858,932	29,413,898	15,501,539	14,892,706	6
PROVISION FOR DEFERRED INCOME TAXES	84,980,774	68,575,704	44,523,163	40,135,924	31,901,354	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	9,813,842-	15,678,509-	4,827,282	5,504,174-	5,102,368-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	46,744-	213-	9,327-	4,972-	28,195-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	3,083	4,346	-	-	-	11
TOTAL OPERATING EXPENSES	816,471,283	708,391,632	617,605,587	600,336,812	538,381,210	12
NET OPERATING REVENUES	235,107,103	212,856,468	168,117,786	168,380,179	136,358,914	13
INC. FROM LSD. PLT. & OTHER OPER. INC	-	-	-	-	-	14
ELECTRIC UTILITY OPERATING INCOME	235,107,103	212,856,468	168,117,786	168,380,179	136,358,914	15
OTHER UTILITY OPERATING INCOME	11,893,158	17,801,067	5,828,027	8,120,592	8,272,196	16
TOTAL UTILITY OPERATING INCOME	247,000,258	230,657,535	173,945,813	176,500,771	144,631,110	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	20,381-	36,980-	20,040-	90,844-	27,601-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	652,608	2,827,000	2,087,082	8,277,873	359,088	22
ALLOWANCE FOR CONSTRUCTION FUNDS	122,719,138	104,283,980	91,641,250	54,485,818	32,719,481	23
MISCELLANEOUS NONOPERATING INCOME	731,589-	22,408,631	426,636-	4,458,757	2,329	24
GAIN ON DISPOSITION OF PROPERTY	105,201	19,508	17,168	14,951	10,408-	25
TOTAL OTHER INCOME	122,774,702	129,483,140	93,308,831	67,180,355	33,043,497	26
TOTAL INCOME	369,774,961	360,140,675	267,254,644	243,681,126	177,674,607	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	130,728	132,812	130,381	118,284	95,961	28
INCOME TAXES-NONOPERATING	25,506,208-	33,249,000-	26,888,000-	11,448,000-	9,470,601-	29
LOSS ON DISPOSITION OF PROPERTY	73,717	15,908	25,131	-	7,285-	30
MISCELLANEOUS AMORTIZATION	1,941	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	185,782-	11,494,586	749,039	628,311	495,179	32
TOTAL INCOME DEDUCTIONS	25,505,979-	21,606,093-	25,961,439-	10,699,405-	8,886,736-	33
INCOME BEFORE INTEREST CHARGES	395,280,940	381,746,768	293,216,083	254,380,531	186,561,343	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	174,584,405	158,720,780	129,651,586	101,958,842	68,773,206	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	2,811,466	2,816,707	1,983,164	1,350,787	610,573	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	61,566-	68,375-	78,331-	78,361-	70,861-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	9,513,508	8,901,582	4,977,805	6,031,211	9,447,242	39
TOTAL INTEREST CHARGES	186,847,775	170,370,674	136,536,023	109,285,469	78,760,169	40
INCOME BEFORE EXTRAORDINARY ITEMS	208,433,165	211,376,094	156,680,060	145,095,062	107,801,174	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 208,433,165 $	211,376,094 $	156,680,060 $	145,095,062 $	107,801,174	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 418,472,383 $	352,524,178 $	317,464,842 $	270,464,490 $	238,855,649	47
BALANCE TRANSFERRED FROM INCOME	208,433,165	211,376,094	156,680,060	145,095,062	107,801,174	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	25,225,720	27,370,512	23,466,059	22,610,168	17,535,865	50
-COMMON STOCK	132,018,049	118,067,375	98,154,887	75,484,542	58,656,478	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	469,661,779	418,472,383	352,524,178	317,464,842	270,464,490	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS, END OF YEAR	$ 469,661,779 $	418,472,383 $	352,524,178 $	317,464,842 $	270,464,490	56
	SELECTED BALANCE SHEET RELATIONSHIPS					
ELEC. UTILITY PLANT/DOLLAR OF ELEC. REVENUE	3.61	3.75	3.52	3.22	3.08	57
OTHER UTILITY PLANT/DOLLAR OTHER REVENUE	1.18	0.98	0.91	1.00	1.13	58
TOTAL UTILITY PLANT/DOLLAR TOTAL REVENUE	3.23	3.24	3.21	2.79	2.71	59
CURRENT ASSETS / BY CURRENT LIABILITIES	0.93	1.11	0.81	0.61	0.92	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	52.5	52.0	48.1	49.2	47.1	61
PREFERRED STOCK	7.5	8.8	10.4	10.8	13.4	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	25.8	25.8	28.1	25.7	24.8	63
RETAINED EARNINGS	14.0	13.2	13.2	14.3	14.7	64
LONG-TERM DEBT % OF GROSS UTILITY PLANT	42.2	42.3	37.2	37.1	38.0	65
% OF NET UTILITY PLANT	50.8	50.3	44.5	45.3	48.4	66
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	16.5	16.8	16.3	17.9	20.5	67
	SELECTED INCOME ACCOUNT RELATIONSHIPS					
ELECTRIC OPERATING REVENUES % OF TOTAL OPERATING REVENUES	84.0	81.5	79.0	80.6	80.9	68
PERCENT OF ELECTRIC OPERATING REVENUES						
ELECTRIC OPERATION AND MAINTENANCE	51.3	52.3	53.5	50.2	57.8	69
ELECTRIC DEPRECIATION AND AMORTIZATION	8.9	8.8	6.7	6.4	6.7	70
TOTAL INCOME TAXES-ELECTRIC, OPERATING	8.0	8.8	8.7	8.5	6.1	71
OTHER TAXES-ELECTRIC, OPERATING	9.3	9.3	9.6	8.8	9.0	72
GAINS/LOSSES FROM DISP OF UTILITY PLANT	-	-	-	-	-	73
TOTAL ELECTRIC OPERATING EXPENSE	77.6	76.9	78.6	78.0	79.7	74
ELECTRIC OPERATING INCOME	22.3	23.1	21.3	21.9	20.2	75
ELEC DEPR AND AMORT.% OF ELEC. UTILITY PLT	2.3	1.8	1.8	1.7	2.0	76
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	15.0	16.1	13.7	11.9	9.9	77
PRETAX INTEREST COVERAGE	2.4	2.6	2.4	2.7	2.8	78
NET INCOME-PERCENT OF OPERATING REVENUES	16.7	18.7	16.7	15.2	12.9	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	2.0	2.4	2.3	2.3	2.1	80
TIMES EARNED	8.3	7.7	6.7	6.4	6.1	81
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	10.6	10.4	9.8	7.9	7.0	82
% OF EARNINGS AVAILABLE FOR COMMON	72.0	64.1	73.6	61.6	64.9	83
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	14.2	15.7	13.3	15.2	13.2	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.2	10.0	9.8	9.3	8.5	85

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MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 208,433,165	$ 211,378,094	$ 156,680,080	$ 145,095,082	$ 107,801,174
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	119,430,354	76,856,339	70,133,001	59,867,950	55,594,043
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	93,070,230	75,762,859	34,525,323	34,431,607	25,196,199
4	INTEREST CAPITALIZED	82,534,289-	104,283,980-	91,641,259-	54,465,618-	32,719,491-
5	OTHER (NET):	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	338,399,460	259,731,312	169,697,125	184,949,001	155,871,925
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	338,399,460	259,731,312	169,697,125	184,949,001	155,871,925
10	LESS DIVIDENDS: PREFERRED	25,225,720	27,370,512	23,468,059	22,610,168	17,535,855
11	COMMON	132,018,049	118,057,375	98,154,687	75,484,542	58,656,478
12	NET FUNDS FROM INTERNAL SOURCES	181,155,691	114,303,425	48,076,399	86,854,291	79,679,592
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	408,000,000	374,000,000	164,350,000	338,000,000	160,000,000
14	PREFERRED STOCK	-	-	45,000,000	-	60,000,000
15	COMMON STOCK	45,493,654	65,085,768	181,375,755	119,188,035	50,608,597
16	NET INCREASE IN SHORT TERM DEBT	58,200,000	-	33,750,000	61,650,000	28,200,000
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	511,693,654	439,085,768	424,475,755	518,838,035	298,808,597
20	OTHER SOURCES (NET):	23,085,256	-	4,048,390	34,745,108	39,240,530
21						
22						
23	TOTAL FUNDS PROVIDED	$ 715,934,801	$ 553,389,191	$ 476,600,544	$ 640,435,434	$ 417,728,719
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	ELECTRIC PLANT	$ 323,127,123	$ 438,152,516	$ 517,980,326	$ 553,919,971	$ 289,727,589
25	NUCLEAR PLANT	-	-	-	-	-
26	NUCLEAR FUEL	6,154,719	2,397,024	5,124,379	565,130-	1,998,393
27	GAS PLANT	8,453,214	5,937,222	5,269,574	5,803,870	6,538,955
28	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
29	STEAM PLANT	-	-	-	-	-
30	NON-UTILITY PLANT	-	-	-	-	-
31	OTHER	-	-	-	-	-
32	TOTAL GROSS ADDITIONS	337,735,056	446,486,762	528,374,279	559,158,711	298,264,937
33	LESS INTEREST CAPITALIZED	82,534,289	104,283,980	91,641,259	54,465,618	32,719,491
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	255,200,767	342,222,782	436,733,020	504,693,093	265,545,446
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	300,754,000	25,056,000	5,571,000	107,086,000	132,500,000
36	PREFERRED STOCK	24,680,000	1,650,000	2,125,000	10,737,500	4,737,500
37	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	-	37,650,000	-	-	-
39	OTHER (NET):	-	-	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	325,434,000	64,356,000	7,696,000	117,823,500	137,237,500
42	OTHER USES (NET)	135,300,034	146,810,409	32,171,524	17,918,841	14,945,773
43						
44						
45	TOTAL FUNDS APPLIED	$ 715,934,801	$ 553,389,191	$ 476,600,544	$ 640,435,434	$ 417,728,719

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO.
	ELECTRIC OPERATING REVENUES					
REVENUES						
RESIDENTIAL	$ 401,344,784	$ 369,383,029	$ 335,284,385	$ 325,123,707	$ 271,334,672	1
COMMERCIAL AND INDUSTRIAL	361,742,593	351,434,928	302,544,621	292,387,863	264,261,238	2
PUBLIC STREET AND HIGHWAY LIGHTING	12,546,925	11,427,888	9,979,537	9,649,025	8,382,022	3
OTHER PUBLIC AUTHORITIES	79,182,498	74,553,182	64,337,203	61,444,779	54,651,226	4
RAILROADS AND RAILWAYS	-	-	-	-	-	5
INTERDEPARTMENTAL	1,450,524	1,379,892	1,173,012	1,263,128	1,099,564	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	856,267,324	808,188,489	713,318,758	689,868,502	599,728,723	7
RESALE	171,072,873	107,209,213	58,238,945	64,780,318	85,843,868	8
TOTAL REVENUES FROM ELECTRIC SALES	1,027,340,197	915,397,702	771,557,703	754,648,820	685,572,591	9
OTHER ELECTRIC OPERATING REVENUES	24,238,170	5,850,398	14,165,670	14,068,171	9,167,533	10
TOTAL ELECTRIC OPERATING REVENUES	$ 1,051,578,367	$ 921,248,100	$ 785,723,373	$ 768,716,991	$ 694,740,124	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	4,615,080	4,574,594	4,398,282	4,412,197	4,429,341	12
COMMERCIAL AND INDUSTRIAL	5,488,575	5,443,392	5,228,423	5,113,548	5,361,088	13
PUBLIC STREET AND HIGHWAY LIGHTING	101,327	103,181	104,521	107,280	107,277	14
OTHER PUBLIC AUTHORITIES	1,179,106	1,144,370	1,108,388	1,071,527	1,087,683	15
RAILROADS AND RAILWAYS	-	-	-	-	-	16
INTERDEPARTMENTAL	21,191	21,113	20,044	21,817	22,850	17
TOTAL SALES TO ULTIMATE CONSUMERS	11,405,319	11,286,649	10,858,663	10,726,387	11,008,247	18
RESALE	5,020,598	3,158,107	1,429,338	1,827,106	1,602,594	19
TOTAL KILOWATT-HOUR SALES	16,425,917	14,444,756	12,288,001	12,553,473	12,610,841	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	624,751	616,053	608,884	603,904	599,117	21
COMMERCIAL AND INDUSTRIAL	64,757	63,476	62,043	60,822	59,512	22
PUBLIC STREET AND HIGHWAY LIGHTING	1,036	986	935	1,159	918	23
OTHER PUBLIC AUTHORITIES	9,100	8,898	8,790	8,746	8,758	24
RAILROADS AND RAILWAYS	-	-	-	-	-	25
INTERDEPARTMENTAL	-	-	-	-	-	26
TOTAL ULTIMATE CONSUMERS	699,644	689,414	680,652	674,631	668,305	27
RESALE	10	10	10	10	10	28
TOTAL CUSTOMERS	699,654	689,424	680,662	674,641	668,315	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 642.41	$ 599.61	$ 550.65	$ 538.37	$ 452.89	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	7,387	7,426	7,223	7,306	7,393	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	8.70	8.07	7.62	7.37	6.13	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 5,586.15	$ 5,536.50	$ 4,876.37	$ 4,807.27	$ 4,440.47	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	84,756	85,755	84,271	84,074	90,084	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	6.59	6.46	5.79	5.72	4.93	35
	ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 280,381,787	$ 227,874,926	$ 187,120,490	$ 200,856,960	$ 177,566,071	36
OTHER	69,293,626	54,627,405	46,739,581	43,945,590	36,635,161	37
TOTAL STEAM POWER EXPENSES	349,675,413	282,502,331	233,860,071	244,802,550	214,201,232	38
NUCLEAR POWER						
FUEL	-	-	-	-	-	39
OTHER	-	-	-	-	-	40
TOTAL NUCLEAR POWER EXPENSES	-	-	-	-	-	41
HYDRAULIC POWER						
WATER FOR POWER	100	7,709	513	225	420-	42
OTHER	1,177,028	933,982	952,731	1,055,635	490,753	43
TOTAL HYDRAULIC POWER EXPENSES	1,177,128	941,691	953,244	1,055,860	490,333	44
OTHER POWER GENERATION						
FUEL	14,939	23,071	27,449	38,099	25,804	45
OTHER	18,474	32,874	32,173	25,073	32,848	46
TOTAL OTHER POWER GENERATION EXPENSE	33,413	55,945	59,622	63,172	58,652	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	35,984,438	69,205,918	66,574,974	68,780,803	72,591,758	48
OTHER	2,378,778	3,798,621	2,436,007	2,357,344	2,054,257	49
TOTAL OTHER POWER SUPPLY EXPENSES	38,363,216	73,004,539	69,010,981	71,138,147	74,646,015	50
TOTAL POWER PRODUCTION EXPENSES	389,249,168	356,504,506	303,883,918	317,059,729	289,396,232	51
TRANSMISSION EXPENSES	23,450,140	16,093,182	13,381,876	13,023,289	11,308,399	52
DISTRIBUTION EXPENSES	46,119,740	42,494,379	39,111,101	38,494,975	32,286,637	53
CUSTOMER ACCOUNTS EXPENSES	18,332,530	17,898,998	16,063,120	16,632,252	13,511,388	54
SALES EXPENSES	7,054,281	6,188,145	5,255,454	4,491,748	3,749,139	55
ADMINISTRATIVE AND GENERAL	55,740,824	42,670,986	42,413,528	44,375,853	40,036,419	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 539,946,683	$ 481,848,174	$ 420,708,997	$ 434,077,846	$ 390,288,212	57
	ELECTRIC UTILITY PLANT*					
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	$ 1,499,492	$ 114,934	$ 114,935	$ 114,755	$ 114,755	58
PRODUCTION PLANT						
STEAM	1,545,955,100	1,514,351,051	538,880,008	508,411,519	476,178,922	59
NUCLEAR	-	-	-	-	-	60
HYDRAULIC	71,339,711	64,315,199	52,352,408	10,286,193	9,433,619	61
OTHER	1,147,948	1,147,948	1,147,948	1,143,528	1,452,275	62
TRANSMISSION PLANT	433,902,753	430,492,569	420,264,689	397,312,987	385,953,978	63
DISTRIBUTION PLANT	833,234,773	778,272,092	738,098,408	691,775,580	652,733,747	64
GENERAL PLANT	35,621,511	35,812,453	37,111,813	36,972,472	42,795,617	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	-	-	-	-	-	68
TOTAL ELECTRIC PLANT IN SERVICE	2,922,701,288	2,824,506,244	1,783,917,985	1,646,017,012	1,548,648,913	69
PLANT LEASED TO OTHERS	-	-	-	-	-	70
PLANT HELD FOR FUTURE USE	8,655,987	6,272,401	5,942,597	2,486,721	2,338,642	71
CONSTRUCTION WORK IN PROGRESS	994,119,743	832,135,746	1,460,539,286	1,096,524,077	658,292,729	72
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	73
TOTAL ELECTRIC UTILITY PLANT	3,925,477,018	3,662,914,391	3,250,399,868	2,745,027,810	2,209,278,284	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	620,151,838	554,134,960	504,171,691	471,555,646	439,512,165	75
NET ELECTRIC UTILITY PLANT	$ 3,305,325,180	$ 3,108,779,431	$ 2,746,228,177	$ 2,273,472,164	$ 1,769,766,119	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,824,506,244	$ 1,783,917,985	$ 1,646,017,012	$ 1,548,648,913	$ 1,463,286,073	77
ADDITIONS	117,365,508	1,053,199,092	153,383,434	110,981,981	96,404,207	78
RETIREMENTS	16,844,389	12,734,415	15,497,724	13,164,504	10,774,950	79
TRANSFERS AND ADJUSTMENTS	2,326,075-	123,582	15,263	447,378-	248,417-	80
PLANT IN SERVICE END OF YEAR	$ 2,922,701,288	$ 2,824,506,244	$ 1,783,917,985	$ 1,646,017,012	$ 1,548,648,913	81

*EXCLUDES ALLOCATION OF COMMON PLANT

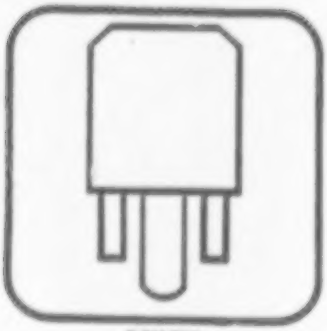
MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

YEARS ENDED DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

LINE NO	ITEM		1985		1984		1983		1982		1981
1	REVENUES - ULTIMATE CONSUMERS	$	880,505,493	$	814,038,887	$	727,484,428	$	703,938,673	$	608,876,256
2	SALES-ULTIMATE CONSUMERS (000 KWH)		11,408,319		11,288,849		10,855,883		10,728,388		11,008,248
							DOLLAR AMOUNTS				
3	FUEL AND PURCHASED POWER	$	223,928,852	$	238,875,338	$	229,300,827	$	235,939,815	$	222,766,383
4	WAGES AND BENEFITS		103,901,079		93,389,194		87,142,150		80,595,481		71,024,259
5	OTHER OPERATION AND MAINTENANCE EXPENSES		114,800,071		88,117,382		78,404,781		79,974,800		67,451,981
6	DEPRECIATION AND AMORTIZATION EXPENSES		94,105,778		60,923,183		52,675,943		49,214,995		45,654,043
7	INCOME TAXES - OPERATING		84,425,218		79,756,127		69,108,887		50,133,289		41,691,692
8	OTHER TAXES - OPERATING		97,980,287		85,866,035		75,120,302		68,915,254		60,773,448
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS		118,718,130		102,918,851		79,871,292		77,277,427		56,500,131
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		14,618,727		16,839,128		13,081,895		15,385,780		13,090,080
11	EARNINGS AVAILABLE FOR COMMON EQUITY		30,172,273		47,385,870		42,797,791		46,520,032		29,924,279
12	TOTAL	$	880,505,493	$	814,038,887	$	727,484,428	$	703,938,673	$	608,876,256
							PERCENT OF REVENUES - ULTIMATE CONSUMERS				
13	FUEL AND PURCHASED POWER		25.4		29.3		31.5		33.5		36.6
14	WAGES AND BENEFITS		11.8		11.5		12.0		11.4		11.7
15	OTHER OPERATION AND MAINTENANCE EXPENSES		13.0		10.8		10.8		11.4		11.1
16	DEPRECIATION AND AMORTIZATION EXPENSES		10.7		7.5		7.2		7.0		7.5
17	INCOME TAXES - OPERATING		9.6		9.8		9.5		7.1		6.8
18	OTHER TAXES - OPERATING		11.1		10.5		10.3		9.8		10.0
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS		13.5		12.6		11.0		11.0		9.3
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		1.7		2.1		1.8		2.2		2.1
21	EARNINGS AVAILABLE FOR COMMON EQUITY		3.4		5.8		5.9		6.6		4.9
22	TOTAL		100.0		100.0		100.0		100.0		100.0
							CENTS PER KWH				
23	FUEL AND PURCHASED POWER		1.96		2.12		2.11		2.20		2.02
24	WAGES AND BENEFITS		0.91		0.83		0.80		0.75		0.65
25	OTHER OPERATION AND MAINTENANCE EXPENSES		1.00		0.78		0.72		0.75		0.61
26	DEPRECIATION AND AMORTIZATION EXPENSES		0.83		0.54		0.49		0.46		0.41
27	INCOME TAXES - OPERATING		0.74		0.71		0.64		0.47		0.38
28	OTHER TAXES - OPERATING		0.86		0.76		0.69		0.64		0.55
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS		1.02		0.91		0.74		0.72		0.51
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		0.13		0.15		0.12		0.14		0.12
31	EARNINGS AVAILABLE FOR COMMON EQUITY		0.26		0.42		0.39		0.43		0.27
32	TOTAL		7.72		7.21		6.70		6.56		5.53
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS		95.98		95.91		95.58		95.95		94.95



POWER

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS YEARS ENDED DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 6,957,787,841	$ 6,228,822,209	$ 5,536,254,012	$ 4,930,543,574	$ 4,436,814,338
2	ACCUM. PROVISION FOR DEPR. AND AMORT	1,453,576,676	1,335,826,651	1,374,422,446	1,285,134,564	1,209,696,289
3	NET ELECTRIC UTILITY PLANT	5,504,211,165	4,890,795,549	4,161,831,566	3,645,409,010	3,227,118,049
4	OTHER UTILITY PLANT	648,544,645	644,941,376	579,405,624	545,319,666	509,474,597
5	ACCUM. PROVISION FOR DEPR. AND AMORT	164,071,225	153,700,053	143,364,946	136,538,596	125,752,558
6	NET OTHER UTILITY PLANT	484,473,420	491,241,323	436,040,678	409,781,070	383,722,039
7	TOTAL UTILITY PLANT	7,606,332,486	6,871,560,576	6,115,659,636	5,475,863,240	4,946,288,935
8	ACCUM. PROVISION FOR DEPR. AND AMORT	1,617,647,901	1,489,526,704	1,517,787,394	1,420,673,160	1,335,450,847
9	NET TOTAL UTILITY PLANT	5,988,684,585	5,382,036,872	4,597,872,242	4,055,190,080	3,610,838,088
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	18,843,240	18,347,689	18,719,389	18,887,800	18,033,190
11	INVESTMENT IN ASSOCIATED COMPANIES	-	330,904	413,753	356,632	356,832
12	INVESTMENT IN SUBSIDIARY COMPANIES	75,604,581	72,464,060	69,057,380	50,487,178	41,978,714
13	OTHER INVESTMENTS	232,282,189	128,532,626	32,345	80,573	80,573
14	SPECIAL FUNDS	79,919,312	60,402,625	29,769,068	13,421,793	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	408,428,311	270,078,130	107,981,981	84,014,176	60,447,339
16	CASH	16,702,190	21,879,023	21,949,645	10,582,784	5,295,339
17	SPECIAL DEPOSITS	151,619	150,643	69,149	624,480	95,451
18	WORKING FUNDS	23,089,821	1,736,080	6,971,099	6,422,159	1,313,887
19	TEMPORARY CASH INVESTMENTS	246,817	8,271,660	-	-	-
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	279,012,809	276,129,430	273,643,434	229,204,072	196,227,829
21	RECEIVABLES FROM ASSOCIATED COMPANIES	329,730	287,743	228,666	499,343	692,966
22	MATERIALS AND SUPPLIES	129,453,709	198,083,828	161,700,407	196,870,307	200,321,204
23	PREPAYMENTS	16,966,242	10,702,058	12,884,119	7,028,041	7,146,887
24	OTHER CURRENT AND ACCRUED ASSETS	7,187,325	8,889,278	4,353,409	3,274,323	2,866,966
25	TOTAL CURRENT AND ACCRUED ASSETS	474,329,068	482,080,941	472,130,127	453,315,514	413,912,547
26	UNAMORTIZED DEBT EXPENSE	64,041,780	52,381,070	21,784,007	21,843,611	16,029,211
27	EXTRAORDINARY PROPERTY LOSSES	1,708,789	10,807,942	14,874,848	21,232,708	-
28	PREL. SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
29	CLEARING ACCOUNTS	24,979	28,644	18,127	17,264	42,918
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	1,281,017-	1,862,429	5,293,647	4,671,745	4,915,060
32	ACCUMULATED DEFERRED INCOME TAXES	15,674,000	54,176,000	56,919,000	73,393,000	58,169,000
33	OTHER DEFERRED DEBITS	81,169,236	34,100,300	69,112,536	83,436,951	58,541,914
34	TOTAL DEFERRED DEBITS	161,287,164	153,388,580	168,962,384	204,595,470	137,669,024
35	TOTAL ASSETS AND OTHER DEBITS	$ 7,030,897,092	$ 6,287,594,528	$ 5,348,978,714	$ 4,797,115,240	$ 4,222,896,958
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 129,928,340	$ 118,848,974	$ 104,010,000	$ 93,832,161	$ 83,073,252
37	PREFERRED STOCK ISSUED	662,900,000	629,850,000	592,500,000	484,750,000	474,200,000
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	1,210,465,639	1,038,273,337	858,466,461	697,394,141	592,068,219
41	OTHER PAID-IN CAPITAL	384,222,230	336,744,070	333,744,070	333,744,079	333,744,513
42	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
43	CAPITAL STOCK EXPENSE	14,447,467-	12,870,848-	11,733,534-	10,343,702-	10,500,505-
44	RETAINED EARNINGS	781,984,810	2,224,609	617,815,962	564,489,920	471,635,771
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	90,180,598	40,237,076	32,885,380	1,553,511	17,120,712
46	REACQUIRED CAPITAL STOCK	-	1,340,000-	2,376,000-	2,008,050-	2,002,000-
47	TOTAL PROPRIETARY CAPITAL	3,100,192,346	2,642,856,223	2,525,610,968	2,163,392,085	1,930,131,962
48	BONDS (LESS BONDS REACQUIRED)	2,129,751,000	2,068,996,000	1,779,300,000	1,744,185,000	1,418,285,000
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	570,127,072	377,073,000	236,300,000	154,600,000	199,800,000
51	NET UNAMORTIZED PREMIUM + DISCOUNT	1,548,166	1,961,279	1,834,832	2,933,173	4,727,289
52	TOTAL LONG-TERM DEBT	2,701,427,038	2,449,960,410	2,017,467,832	1,901,718,173	1,622,810,289
53	NOTES PAYABLE	9,000,000	61,090,000	80,100,000	92,071,000	123,330,000
54	ACCOUNTS PAYABLE	214,804,860	196,383,636	197,075,539	193,561,075	177,922,458
55	PAYABLES TO ASSOCIATED COMPANIES	2,458,434	2,712,276	1,533,438	1,469,569	678,571
56	CUSTOMER DEPOSITS	7,740,666	6,581,721	9,646,461	4,980,969	4,701,694
57	TAXES ACCRUED	8,257,947	22,623,886	12,573,498	19,379,549	22,098,195
58	INTEREST ACCRUED	16,276,760	66,280,373	40,621,639	47,180,139	38,358,099
59	DIVIDENDS DECLARED	-	786-	-	-	-
60	TAX COLLECTIONS PAYABLE	6,112,128	6,287,264	6,670,862	6,330,773	7,180,195
61	OTHER CURRENT AND ACCRUED LIABILITIES	176,232,371	98,827,757	108,562,867	78,884,384	83,919,631
62	TOTAL CURRENT AND ACCRUED LIABILITIES	494,880,170	469,028,213	460,785,941	445,885,174	458,370,245
63	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	219,198,000	182,891,000	129,498,000	70,959,000	64,931,000
66	OTHER DEFERRED CREDITS	160,976,601	111,249,682	24,376,972	34,064,581	42,812,638
	ACCUMULATED DEFERRED INCOME TAXES:					
67	ACCELERATED AMORTIZATION	4,043,000	6,246,000	7,603,000	9,015,000	10,482,000
68	LIBERALIZED DEPRECIATION	221,200,000	179,786,000	124,391,000	100,465,000	70,224,000
69	OTHER	86,824,000	91,340,000	57,263,000	62,514,000	25,076,000
70	TOTAL DEFERRED CREDITS	692,204,601	570,707,682	343,111,972	277,057,581	213,525,638
71	PROPERTY INSURANCE RESERVE	-	-	-	-	-
72	INJURIES AND DAMAGE RESERVE	-	-	-	-	-
73	PENSION AND BENEFITS RESERVE	-	-	-	-	-
74	MISCELLANEOUS OPERATING RESERVES	-	-	-	51,727	258,634
75	TOTAL OPERATING RESERVES	-	-	-	51,727	258,634
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 7,030,897,092	$ 6,287,594,528	$ 5,348,978,714	$ 4,797,115,240	$ 4,222,896,958

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS
NIAGARA MOHAWK POWER CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS						
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 2,078,134,522	$ 2,118,484,821	$ 2,008,798,002	$ 1,843,020,478	$ 1,703,093,375	1
OPERATION AND MAINTENANCE EXPENSE	1,194,851,080	1,275,849,838	1,281,930,112	1,175,903,016	1,162,190,707	2
DEPRECIATION EXPENSE	126,172,201	116,274,811	104,131,380	101,158,523	90,276,257	3
AMORTIZATION	10,700,389	11,476,124	10,318,508	7,335,249	622,183	4
TAXES OTHER THAN INCOME TAXES	228,902,577	217,098,475	206,095,136	191,308,027	172,751,628	5
INCOME TAXES	18,397,156	53,782,074	44,625,867	30,131,008	34,651,000	6
PROVISION FOR DEFERRED INCOME TAXES	156,814,000	117,233,000	90,967,615	83,143,639	45,493,255	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	18,336,000-	16,886,000-	32,619,556-	31,002,624-	36,461,660-	8
MISC. ADJUSTMENTS OF INCOME TAXES	391,238-	1,016,417	3,809,622-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	1,717,110,164	1,775,642,739	1,701,639,640	1,557,976,838	1,469,323,368	12
NET OPERATING REVENUES	361,024,358	342,822,082	307,156,362	285,043,640	233,570,007	13
INC. FROM LSD. PLT. & OTHER OPER. INC	46,583	7,189-	-	-	-	14
ELECTRIC UTILITY OPERATING INCOME	361,070,941	342,814,893	307,156,362	285,043,640	233,570,007	15
OTHER UTILITY OPERATING INCOME	43,721,003	44,312,070	42,025,792	25,766,520	33,210,834	16
TOTAL UTILITY OPERATING INCOME	404,791,944	387,126,963	349,182,154	310,810,160	266,780,841	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	35,537-	129,792-	238,022-	102,379-	115,199-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	11,580,528	9,356,690	9,876,212	11,193,464	7,201,554	21
INTEREST AND DIVIDEND INCOME	44,660,643	16,115,060	6,550,048	1,678,656	896,087	22
ALLOWANCE FOR CONSTRUCTION FUNDS	187,316,403	161,496,650	117,792,939	94,736,294	71,889,693	23
MISCELLANEOUS NONOPERATING INCOME	2,794,120	1,762,009-	3,221,927	9,447,414	9,601,870	24
GAIN ON DISPOSITION OF PROPERTY	861,286	815,351	72,752	4,430,444	20,148	25
TOTAL OTHER INCOME	247,177,422	187,891,950	139,274,856	121,384,093	89,494,153	26
TOTAL INCOME	651,969,366	575,018,913	488,457,010	432,194,253	356,274,994	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	1,201,739	963,295	641,006	673,859	765,315	28
INCOME TAXES-NONOPERATING	26,454,447-	32,521,970-	29,023,373-	23,922,600-	19,548,000-	29
LOSS ON DISPOSITION OF PROPERTY	126,276	75,605	83,965	25,384	66,573	30
MISCELLANEOUS AMORTIZATION	427,091	533,411	552,649	564,300	542,226	31
MISCELLANEOUS INCOME DEDUCTIONS	2,036,414-	9,161,777	1,924,039	6,969,732	1,698,855	32
TOTAL INCOME DEDUCTIONS	26,734,756-	21,787,882-	25,821,684-	15,699,325-	16,253,031-	33
INCOME BEFORE INTEREST CHARGES	678,704,121	596,806,795	514,278,704	447,893,578	372,528,025	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	256,834,343	221,703,684	187,761,814	195,283,815	130,274,274	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	4,312,187	3,259,586	2,122,018	1,711,891	1,400,614	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	354,673-	365,559-	380,972-	426,474-	404,673-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	1,354,640	-	-	-	38
OTHER INTEREST EXPENSE	6,482,230	11,120,490	12,366,894	22,790,209	20,613,824	39
TOTAL INTEREST CHARGES	267,274,087	237,072,941	201,869,754	179,359,441	151,884,039	40
INCOME BEFORE EXTRAORDINARY ITEMS	411,430,034	359,733,854	312,408,950	268,534,137	220,643,986	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 411,430,034	$ 359,733,854	$ 312,408,950	$ 268,534,137	$ 220,643,986	46
UNAPPROPRIATED RETAINED EARNINGS BEG.OF YR	$ 701,528,370	$ 617,117,349	$ 563,771,672	$ 470,937,538	$ 418,968,245	47
BALANCE TRANSFERRED FROM INCOME	401,488,5[illegible]	352,362,164	304,457,738	260,740,873	214,035,561	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	59,559,323	51,460,031	42,108,640	37,585,718	34,285,072	50
-COMMON STOCK	252,217,185	216,493,112	185,642,756	153,681,486	127,781,216	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	23,380,685-	23,380,685	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	791,236,386	701,528,370	617,117,349	563,771,672	470,937,538	53
APPROPRIATED RETAINED EARNINGS	698,233	698,233	698,233	698,233	698,233	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	50,180,588	40,237,078	32,865,388	1,553,511	17,120,712	55
TOTAL RETAINED EARNINGS, END OF YEAR	$ 842,115,207	$ 742,461,681	$ 650,680,970	$ 566,023,416	$ 488,756,483	56
SELECTED BALANCE SHEET RELATIONSHIPS						
ELEC. UTILITY PLANT/DOLLAR OF ELEC REVENUE	3.17	2.78	2.81	2.54	2.49	57
OTHER UTILITY PLANT/DOLLAR OTHER REVENUE	1.08	0.94	0.92	0.99	1.14	58
TOTAL UTILITY PLANT/DOLLAR TOTAL REVENUE	2.70	2.34	2.21	2.19	2.22	59
CURRENT ASSETS / BY CURRENT LIABILITIES	0.98	1.06	1.02	1.02	0.91	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	45.9	46.2	44.4	46.7	45.6	61
PREFERRED STOCK	11.6	11.6	13.0	11.9	13.3	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	29.0	28.5	28.9	27.4	27.7	63
RETAINED EARNINGS	13.4	13.2	13.5	13.8	13.2	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	35.5	35.6	32.9	34.7	32.5	65
% OF NET UTILITY PLANT	45.1	45.5	43.8	46.8	44.9	66
ACCUM.PROVISION FOR DEPR.:% OF UTILITY PLT	21.2	21.6	24.8	25.9	26.9	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
ELECTRIC OPERATING REVENUES:						
% OF TOTAL OPERATING REVENUES	77.6	76.4	76.7	77.5	79.8	68
PERCENT OF ELECTRIC OPERATING REVENUES:						
ELECTRIC OPERATION AND MAINTENANCE	57.4	60.2	63.8	63.8	68.2	69
ELECTRIC DEPRECIATION AND AMORTIZATION	6.5	6.0	5.6	5.8	5.3	70
TOTAL INCOME TAXES-ELECTRIC, OPERATING	7.5	7.3	4.9	4.4	2.5	71
OTHER TAXES-ELECTRIC, OPERATING	11.0	10.2	10.2	10.3	10.1	72
GAINS/LOSSES FROM DISP.OF UTILITY PLANT	-	-	-	-	-	73
TOTAL ELECTRIC OPERATING EXPENSE	82.6	83.8	84.7	84.5	86.2	74
ELECTRIC OPERATING INCOME	17.3	16.1	15.2	15.4	13.7	75
ELEC.DEPR.AND AMORT.% OF ELEC. UTILITY PLT	1.9	2.0	2.0	2.2	2.0	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	10.0	8.6	7.7	7.5	7.1	77
PRETAX INTEREST COVERAGE	3.1	3.1	2.9	2.9	2.6	78
NET INCOME-PERCENT OF OPERATING REVENUES	15.3	12.9	11.9	11.3	10.3	79
DIVIDEND APPROPRIATIONS,PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	2.2	1.5	1.6	1.5	1.6	80
TIMES EARNED	6.9	7.0	7.4	7.1	6.4	81
DIVIDEND APPROPRIATIONS,COMMON STOCK:						
PERCENT OF OPERATING REVENUES	9.4	7.8	7.0	6.4	5.9	82
% OF EARNINGS AVAILABLE FOR COMMON	71.6	70.2	66.6	66.5	66.5	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	14.9	14.8	14.9	14.7	13.5	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.7	10.4	10.2	9.8	9.2	85

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MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 411,430,034	$ 359,733,854	$ 312,408,950	$ 268,534,137	$ 220,643,986
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	149,870,076	140,380,300	126,765,149	120,700,234	101,863,311
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	141,208,000	116,265,000	80,850,259	68,900,015	19,733,595
4	INTEREST CAPITALIZED	187,316,403-	161,496,650-	117,792,939-	94,736,294-	71,889,693-
5	OTHER (NET):	9,160,215	8,255,386	1,979,757	1,773,379	30,225,078
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	524,349,922	463,137,890	404,211,176	365,171,471	300,576,277
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	524,349,922	463,137,890	404,211,176	365,171,471	300,576,277
10	LESS DIVIDENDS: PREFERRED	59,559,323	51,460,031	42,108,640	37,585,718	34,286,072
11	COMMON	252,217,185	216,493,112	185,642,756	153,681,486	127,781,216
12	NET FUNDS FROM INTERNAL SOURCES	212,573,414	195,184,747	176,459,780	173,904,267	138,509,989
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	425,480,502	409,713,713	289,900,000	316,578,207	186,650,000
14	PREFERRED STOCK	75,000,000	50,000,000	120,000,000	20,000,000	58,000,000
15	COMMON STOCK	185,269,954	189,626,857	171,269,162	145,193,821	101,312,579
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	30,000
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	685,750,456	649,340,570	581,169,162	481,772,028	345,992,579
20	OTHER SOURCES (NET):	93,666,874	13,331,459	7,976,154	-	53,082,213
21						
22						
23	TOTAL FUNDS PROVIDED	$ 991,990,744	$ 857,856,776	$ 765,605,096	$ 655,676,295	$ 537,584,781
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	ELECTRIC PLANT	$ 231,348,388	$ 253,641,518	$ 251,443,883	$ 250,235,644	$ 196,291,527
25	NUCLEAR PLANT	485,857,504	466,509,365	375,331,543	278,373,152	208,747,946
26	NUCLEAR FUEL	48,560,262	23,541,866	17,087,867	30,676,614	18,716,242
27	GAS PLANT	20,911,143	41,001,891	31,872,767	32,609,895	32,941,748
28	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
29	STEAM PLANT	-	-	-	-	-
30	NON-UTILITY PLANT	-	-	-	-	-
31	OTHER	-	-	-	-	-
32	TOTAL GROSS ADDITIONS	786,677,297	784,694,640	675,736,060	591,895,305	456,697,463
33	LESS INTEREST CAPITALIZED	187,316,403	161,496,650	117,792,939	94,736,294	71,889,693
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	599,360,894	623,197,990	557,943,121	497,159,011	384,807,770
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	178,195,000	30,732,000	173,052,000	65,428,000	140,280,000
36	PREFERRED STOCK	19,601,000	12,923,000	12,318,000	9,456,000	8,676,000
37	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	46,050,000	29,050,000	11,900,000	15,000,000	-
39	OTHER (NET):	-	-	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	243,846,000	72,705,000	197,270,000	89,884,000	148,956,000
42	OTHER USES (NET):	148,783,850	161,953,786	10,391,975	68,633,284	3,821,011
43						
44						
45	TOTAL FUNDS APPLIED	$ 991,990,744	$ 857,856,776	$ 765,605,096	$ 655,676,295	$ 537,584,781

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO.
ELECTRIC OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 642,859,221	$ 603,117,748	$ 579,605,569	$ 534,744,449	$ 479,649,874	1
COMMERCIAL AND INDUSTRIAL	1,139,915,009	1,108,345,462	1,094,745,559	1,046,990,593	1,001,420,592	2
PUBLIC STREET AND HIGHWAY LIGHTING	38,933,617	37,560,065	36,198,109	34,638,673	31,021,566	3
OTHER PUBLIC AUTHORITIES	66,348	63,540	51,881	16,995	22,233	4
RAILROADS AND RAILWAYS	-	-	-	-	70	5
INTERDEPARTMENTAL	-	-	-	-	-	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	1,821,774,193	1,749,086,815	1,710,601,118	1,616,390,710	1,512,114,334	7
RESALE	189,379,468	298,233,751	230,137,798	165,903,223	131,709,562	8
TOTAL REVENUES FROM ELECTRIC SALES	2,011,153,661	2,047,320,566	1,940,738,916	1,782,293,933	1,643,823,896	9
OTHER ELECTRIC OPERATING REVENUES	66,980,861	71,144,255	68,057,086	60,726,545	59,269,479	10
TOTAL ELECTRIC OPERATING REVENUES	$ 2,078,134,522	$ 2,118,464,821	$ 2,008,796,002	$ 1,843,020,478	$ 1,703,093,375	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	8,836,053	8,806,412	8,450,401	8,353,067	8,339,447	12
COMMERCIAL AND INDUSTRIAL	20,573,388	20,720,566	20,034,237	19,454,530	20,797,481	13
PUBLIC STREET AND HIGHWAY LIGHTING	232,406	236,539	242,416	250,707	259,245	14
OTHER PUBLIC AUTHORITIES	3,839	4,245	4,202	1,548	2,119	15
RAILROADS AND RAILWAYS	-	-	-	-	-	16
INTERDEPARTMENTAL	-	-	-	-	-	17
TOTAL SALES TO ULTIMATE CONSUMERS	29,645,686	29,767,762	28,731,256	28,059,853	29,398,293	18
RESALE	4,888,562	6,582,846	5,284,959	3,846,248	2,729,339	19
TOTAL KILOWATT-HOUR SALES	34,534,258	36,350,608	34,016,215	31,906,101	32,127,631	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	1,259,434	1,244,307	1,230,930	1,217,750	1,209,413	21
COMMERCIAL AND INDUSTRIAL	135,678	134,140	132,786	131,973	132,376	22
PUBLIC STREET AND HIGHWAY LIGHTING	3,154	3,128	3,107	3,105	3,073	23
OTHER PUBLIC AUTHORITIES	4	3	2	2	3	24
RAILROADS AND RAILWAYS	-	-	-	-	1	25
INTERDEPARTMENTAL	-	-	-	-	-	26
TOTAL ULTIMATE CONSUMERS	1,398,270	1,381,578	1,366,825	1,352,830	1,344,866	27
RESALE	149	144	144	150	151	28
TOTAL CUSTOMERS	1,398,419	1,381,722	1,366,969	1,352,980	1,345,017	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 510.44	$ 484.70	$ 470.87	$ 439.12	$ 396.60	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	7,016	7,077	6,865	6,859	6,895	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	7.28	6.85	6.86	6.40	5.75	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 8,401.62	$ 8,262.60	$ 8,244.44	$ 7,933.37	$ 7,564.97	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	151,634	154,470	150,876	147,413	157,109	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	5.54	5.35	5.46	5.38	4.82	35
ELECTRIC OPERATION AND MAINTENANCE EXPENSES						
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 359,491,301	$ 453,460,338	$ 485,712,316	$ 487,899,954	$ 535,166,762	36
OTHER	57,301,174	52,459,527	51,526,211	48,600,841	43,267,097	37
TOTAL STEAM POWER EXPENSES	416,792,475	505,919,865	537,238,527	536,500,795	578,433,859	38
NUCLEAR POWER						
FUEL	30,498,752	21,361,083	14,744,660	12,996,041	37,557,260	39
OTHER	17,567,344	26,788,221	25,516,870	21,481,145	26,744,187	40
TOTAL NUCLEAR POWER EXPENSES	48,066,096	48,149,304	40,261,530	34,477,186	64,301,447	41
HYDRAULIC POWER						
WATER FOR POWER	1,517,694	1,422,106	1,334,340	1,251,094	1,158,333	42
OTHER	10,783,574	11,066,899	10,710,946	11,172,978	8,901,600	43
TOTAL HYDRAULIC POWER EXPENSES	12,301,268	12,489,005	12,045,286	12,424,072	10,059,933	44
OTHER POWER GENERATION						
FUEL	1,406,192	1,269,264	888,198	1,617,654	9,331,667	45
OTHER	458,904	802,267	1,227,799	1,610,199	3,325,187	46
TOTAL OTHER POWER GENERATION EXPENSE	1,865,096	2,071,531	2,115,997	3,227,853	12,656,854	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	371,895,818	384,664,117	390,614,392	318,684,666	260,241,682	48
OTHER	2,823,926	2,344,049	2,730,637	2,728,801	2,312,669	49
TOTAL OTHER POWER SUPPLY EXPENSES	374,719,744	387,008,166	393,345,029	321,413,467	262,554,351	50
TOTAL POWER PRODUCTION EXPENSES	853,744,679	955,637,871	985,006,369	908,043,373	928,006,444	51
TRANSMISSION EXPENSES	25,718,521	24,109,362	19,780,048	20,786,867	18,216,670	52
DISTRIBUTION EXPENSES	93,844,397	88,213,303	93,264,365	82,634,967	73,011,701	53
CUSTOMER ACCOUNTS EXPENSES	37,637,078	37,052,686	35,509,753	32,107,689	26,658,146	54
SALES EXPENSES	9,659,653	8,455,680	6,586,652	5,566,885	5,188,650	55
ADMINISTRATIVE AND GENERAL	174,246,752	162,180,936	141,782,925	128,764,195	111,109,096	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 1,194,851,080	$ 1,275,649,838	$ 1,281,930,112	$ 1,175,903,016	$ 1,162,190,707	57
ELECTRIC UTILITY PLANT*						
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	$ 49,366	$ 49,366	$ 49,366	$ 49,366	$ 49,366	58
PRODUCTION PLANT						
STEAM	1,178,589,101	1,144,760,008	1,099,000,612	1,075,716,621	1,048,101,336	59
NUCLEAR	476,458,346	460,273,353	367,746,133	282,136,464	285,014,689	60
HYDRAULIC	252,909,642	233,261,673	218,382,660	188,835,731	182,447,734	61
OTHER	26,634,643	26,591,848	26,089,296	25,979,055	24,149,469	62
TRANSMISSION PLANT	842,525,407	814,637,530	796,791,074	767,197,671	711,689,853	63
DISTRIBUTION PLANT	1,409,744,921	1,321,485,379	1,248,629,745	1,170,577,164	1,097,881,488	64
GENERAL PLANT	90,208,938	56,227,411	54,283,190	57,838,759	57,033,962	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	4,379,870-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	358,759,833	310,199,372	286,657,506	269,569,638	238,991,735	68
TOTAL ELECTRIC PLANT IN SERVICE	4,635,879,995	4,367,485,940	4,097,629,782	3,837,700,469	3,620,979,962	69
PLANT LEASED TO OTHERS	1,108,341	1,108,341	105,000	105,000	105,000	70
PLANT HELD FOR FUTURE USE	-	-	-	-	-	71
CONSTRUCTION WORK IN PROGRESS	2,320,799,505	1,858,027,919	1,438,519,230	1,092,738,105	815,729,376	72
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	73
TOTAL ELECTRIC UTILITY PLANT	6,957,787,841	6,226,622,200	5,536,254,012	4,930,543,574	4,436,814,338	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	1,453,576,676	1,335,826,651	1,374,422,446	1,285,134,564	1,209,698,289	75
NET ELECTRIC UTILITY PLANT	$ 5,504,211,165	$ 4,890,795,549	$ 4,161,831,566	$ 3,645,409,010	$ 3,227,116,049	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 4,367,485,940	$ 4,097,629,782	$ 3,837,700,467	$ 3,620,979,962	$ 3,414,686,543	77
ADDITIONS	294,485,651	295,517,947	288,899,784	250,903,256	237,044,697	78
RETIREMENTS	26,107,203	21,431,201	19,524,850	37,847,918	19,378,175	79
TRANSFERS AND ADJUSTMENTS	15,607	4,230,588-	9,445,619-	3,665,169	11,375,103-	80
PLANT IN SERVICE END OF YEAR	$ 4,635,879,995	$ 4,367,485,940	$ 4,097,629,782	$ 3,837,700,469	$ 3,620,979,962	81

*EXCLUDES ALLOCATION OF COMMON PLANT

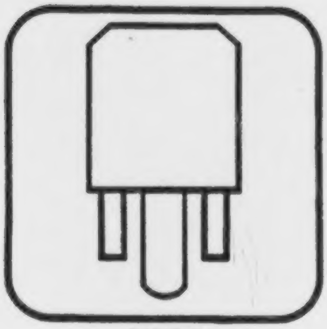
MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

YEARS ENDED DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES - ULTIMATE CONSUMERS	$ 1,888,755,054	$ 1,820,231,070	$ 1,778,658,204	$ 1,677,117,255	$ 1,571,383,813
2	SALES-ULTIMATE CONSUMERS (000 KWH)	29,645,698	29,787,761	28,731,256	28,059,862	29,398,292
				DOLLAR AMOUNTS		
3	FUEL AND PURCHASED POWER	$ 614,686,907	$ 642,158,460	$ 720,171,202	$ 695,436,904	$ 743,424,973
4	WAGES AND BENEFITS	261,541,671	251,718,671	235,833,193	211,550,550	192,338,651
5	OTHER OPERATION AND MAINTENANCE EXPENSES	163,564,507	155,178,603	147,518,055	138,056,808	123,667,014
6	DEPRECIATION AND AMORTIZATION EXPENSES	136,872,590	127,750,935	114,449,888	108,493,772	90,898,440
7	INCOME TAXES - OPERATING	156,483,917	155,145,491	99,164,504	82,272,023	43,682,595
8	OTHER TAXES - OPERATING	228,902,577	217,096,475	206,095,136	191,308,027	172,751,626
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	159,619,063	144,371,073	125,900,973	117,986,380	105,972,184
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	34,711,312	29,993,212	26,988,218	24,387,827	24,123,868
11	EARNINGS AVAILABLE FOR COMMON EQUITY	132,372,510	96,818,150	102,537,035	107,642,963	74,524,482
12	TOTAL	$ 1,888,755,054	$ 1,820,231,070	$ 1,778,658,204	$ 1,677,117,255	$ 1,571,383,813
				PERCENT OF REVENUES - ULTIMATE CONSUMERS		
13	FUEL AND PURCHASED POWER	32.5	35.3	40.5	41.5	47.3
14	WAGES AND BENEFITS	13.8	13.8	13.3	12.6	12.2
15	OTHER OPERATION AND MAINTENANCE EXPENSES	8.7	8.5	8.3	8.2	7.9
16	DEPRECIATION AND AMORTIZATION EXPENSES	7.2	7.0	6.4	6.5	5.8
17	INCOME TAXES - OPERATING	8.3	8.5	5.6	4.9	2.8
18	OTHER TAXES - OPERATING	12.1	11.9	11.6	11.4	11.0
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	8.5	7.9	7.1	7.0	6.7
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.8	1.6	1.5	1.5	1.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	7.0	5.3	5.8	6.4	4.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER KWH		
23	FUEL AND PURCHASED POWER	2.07	2.16	2.50	2.48	2.53
24	WAGES AND BENEFITS	0.88	0.85	0.82	0.75	0.65
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.55	0.52	0.51	0.49	0.42
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.46	0.43	0.40	0.39	0.31
27	INCOME TAXES - OPERATING	0.53	0.52	0.35	0.29	0.15
28	OTHER TAXES - OPERATING	0.77	0.73	0.72	0.68	0.59
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	0.54	0.48	0.44	0.42	0.36
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.12	0.10	0.09	0.09	0.08
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.45	0.33	0.36	0.38	0.25
32	TOTAL	6.37	6.11	6.19	5.98	5.35
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	93.42	92.92	92.06	91.39	90.86



POWER

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS YEARS ENDED DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC.

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 515,945,973	$ 488,607,482	$ 459,201,877	$ 449,003,198	$ 473,385,163
2	ACCUM. PROVISION FOR DEPR. AND AMORT	163,065,039	151,812,663	139,216,853	127,393,032	116,031,693
3	NET ELECTRIC UTILITY PLANT	352,880,934	336,794,819	319,985,024	321,610,166	357,353,470
4	OTHER UTILITY PLANT	141,784,799	129,721,378	128,004,776	118,098,568	107,020,560
5	ACCUM. PROVISION FOR DEPR. AND AMORT	42,051,455	36,332,841	30,765,828	27,240,021	23,339,582
6	NET OTHER UTILITY PLANT	99,733,344	93,388,537	97,238,948	90,858,547	83,680,978
7	TOTAL UTILITY PLANT	657,730,772	618,328,860	587,206,453	567,101,766	580,385,723
8	ACCUM. PROVISION FOR DEPR. AND AMORT	205,116,494	188,145,504	169,982,481	154,633,053	139,371,275
9	NET TOTAL UTILITY PLANT	452,614,278	430,183,356	417,223,972	412,468,713	441,014,448
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	83,506	91,038	79,279	109,628	125,123
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	61,225,798	55,283,544	54,491,112	47,812,100	41,640,050
13	OTHER INVESTMENTS	1	1	1	1	736
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	61,309,305	55,374,583	54,570,392	47,921,729	41,765,909
16	CASH	4,823,254	2,301,871	993,950	1,081,712	783,205
17	SPECIAL DEPOSITS	568,228	259,653	177,653	109,772	3,244
18	WORKING FUNDS	104,852	39,214	69,289	66,616	103,105
19	TEMPORARY CASH INVESTMENTS	-	8,970,161	-	-	-
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	34,982,583	37,984,297	37,725,767	30,654,182	29,401,839
21	RECEIVABLES FROM ASSOCIATED COMPANIES	7,764,500	8,531,675	7,395,243	9,501,406	8,349,752
22	MATERIALS AND SUPPLIES	17,662,295	18,773,090	14,079,489	18,257,634	16,893,172
23	PREPAYMENTS	14,062,863	13,484,305	12,921,909	32,853,218	25,206,890
24	OTHER CURRENT AND ACCRUED ASSETS	38,772,440	30,320,059	25,816,420	19,872,247	16,154,064
25	TOTAL CURRENT AND ACCRUED ASSETS	118,740,996	120,664,325	99,179,720	112,376,767	96,895,271
26	UNAMORTIZED DEBT EXPENSE	4,686,684	3,408,082	2,129,365	2,437,492	1,524,373
27	EXTRAORDINARY PROPERTY LOSSES	34,850,943	38,685,577	38,544,953	33,344,600	205,636
28	PREL. SURVEY + INVESTIGATION CHARGES	546,860	682,637	600,246	535,247	205,941
29	CLEARING ACCOUNTS	1,718	-	84	-	-
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	290,191-	556,936-	77,418-	116,252	58,473
32	ACCUMULATED DEFERRED INCOME TAXES	1,148,149	526,738	257,842	272,276	375,532
33	OTHER DEFERRED DEBITS	12,567,184	13,778,170	18,332,854	22,287,653	20,720,996
34	TOTAL DEFERRED DEBITS	53,511,347	54,524,268	59,787,926	58,993,726	23,090,951
35	TOTAL ASSETS AND OTHER DEBITS	$ 686,175,926	$ 660,746,532	$ 630,762,010	$ 631,760,935	$ 602,766,579
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 63,130,810	$ 63,112,095	$ 61,525,110	$ 58,867,065	$ 56,308,080
37	PREFERRED STOCK ISSUED	60,322,164	61,790,087	61,823,492	61,911,062	62,018,234
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	105,806,315	105,743,632	100,633,816	93,408,810	88,039,303
41	OTHER PAID-IN CAPITAL	-	-	-	-	-
42	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
43	CAPITAL STOCK EXPENSE	5,848,720-	5,804,508-	5,748,418-	5,623,736-	5,502,897-
44	RETAINED EARNINGS	66,807,220	64,858,456	55,842,734	49,992,452	44,378,181
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	35,000,717	30,960,464	30,166,132	26,489,120	22,217,070
46	REACQUIRED CAPITAL STOCK	-	-	-	-	-
47	TOTAL PROPRIETARY CAPITAL	325,218,506	320,660,226	304,244,866	285,044,774	267,457,971
48	BONDS (LESS BONDS REACQUIRED)	170,000,000	170,000,000	170,000,000	178,000,000	188,000,000
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	25,057,702	16,926,290	6,237,125	5,341,680	55,550
51	NET UNAMORTIZED PREMIUM + DISCOUNT	285,827-	39,940	591,726	602,261	834,184
52	TOTAL LONG-TERM DEBT	194,771,875	186,966,230	176,828,851	183,943,941	188,889,734
53	NOTES PAYABLE	4,500,000	-	11,500,000	14,000,000	8,100,000
54	ACCOUNTS PAYABLE	42,739,124	42,297,507	31,919,090	34,600,107	37,689,226
55	PAYABLES TO ASSOCIATED COMPANIES	312,179	763,151	421,401	1,905,745	739,037
56	CUSTOMER DEPOSITS	2,054,542	1,914,025	1,837,682	1,777,310	2,016,234
57	TAXES ACCRUED	3,173,533	3,395,856	17,422,533	37,868,841	25,829,897
58	INTEREST ACCRUED	5,006,474	4,989,859	5,431,863	5,512,364	6,342,395
59	DIVIDENDS DECLARED	1,002,799	1,002,799	1,002,799	1,002,799	1,002,799
60	TAX COLLECTIONS PAYABLE	332,310	275,987	271,643	301,788	343,147
61	OTHER CURRENT AND ACCRUED LIABILITIES	19,035,353	16,197,309	16,073,813	4,237,035	4,479,131
62	TOTAL CURRENT AND ACCRUED LIABILITIES	78,156,314	70,836,493	85,880,824	101,205,989	86,541,866
63	CUSTOMER ADVANCES FOR CONSTRUCTION	755,943	671,478	541,252	403,916	473,266
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	15,784,513	13,091,388	11,418,396	10,338,353	8,482,948
66	OTHER DEFERRED CREDITS	11,365,288	11,851,743	6,295,537	8,269,849	10,890,993
	ACCUMULATED DEFERRED INCOME TAXES:					
67	ACCELERATED AMORTIZATION	1,067,328	988,273	1,106,521	1,224,769	1,343,017
68	LIBERALIZED DEPRECIATION	34,136,101	28,487,700	23,672,900	19,236,551	15,675,343
69	OTHER	22,693,658	24,867,201	18,493,689	20,499,918	21,951,732
70	TOTAL DEFERRED CREDITS	85,802,829	79,957,783	61,528,295	59,973,356	58,817,299
71	PROPERTY INSURANCE RESERVE	445,921	484,474	484,474	520,860	520,860
72	INJURIES AND DAMAGE RESERVE	1,553,326	1,713,628	1,787,990	1,143,156	692,641
73	PENSION AND BENEFITS RESERVE	-	-	-	-	-
74	MISCELLANEOUS OPERATING RESERVES	227,155	127,698	6,710	71,141-	153,792-
75	TOTAL OPERATING RESERVES	2,226,402	2,325,800	2,279,174	1,592,875	1,059,709
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 686,175,926	$ 660,746,532	$ 630,762,010	$ 631,760,935	$ 602,766,579

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

ORANGE AND ROCKLAND UTILITIES, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO
	COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS					
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 338,114,8[illegible]	$ 357,783,591	$ 334,772,906	$ 314,036,907	$ 284,186,180	1
OPERATION AND MAINTENANCE EXPENSE	216,896,606	237,387,776	224,316,788	215,576,277	200,280,581	2
DEPRECIATION EXPENSE	14,344,136	14,116,483	13,517,752	13,016,856	12,319,788	3
AMORTIZATION	2,092,812	2,083,508	2,094,433	765,868	140,186	4
TAXES OTHER THAN INCOME TAXES	37,861,733	37,246,266	33,179,653	30,213,413	27,653,405	5
INCOME TAXES	23,401,430	19,578,565	18,971,548	14,753,580	8,594,297	6
PROVISION FOR DEFERRED INCOME TAXES	6,176,989	10,417,650	8,153,734	5,012,117	4,880,720	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	3,933,407-	4,597,788-	4,768,743-	1,819,201-	1,201,786-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	296,840,299	316,212,480	295,465,165	277,518,890	252,647,191	12
NET OPERATING REVENUES	41,274,560	41,571,111	39,307,741	36,518,017	31,538,989	13
INC. FROM LSD. PLT. & OTHER OPER. INC	-	-	-	-	-	14
ELECTRIC UTILITY OPERATING INCOME	41,274,560	41,571,111	39,307,741	36,518,017	31,538,989	15
OTHER UTILITY OPERATING INCOME	6,769,699	7,913,952	6,118,124	7,043,460	6,732,393	16
TOTAL UTILITY OPERATING INCOME	48,044,259	49,485,063	45,425,865	43,561,477	38,271,382	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	11,619-	649	1,302-	656-	269-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S.	4,040,253	1,576,332	4,463,012	5,056,050	3,961,422	21
INTEREST AND DIVIDEND INCOME	669,188	698,881	2,164,583	2,684,150	474,683	22
ALLOWANCE FOR CONSTRUCTION FUNDS	1,643,130	3,389,108	2,698,415	1,818,656	4,906,546	23
MISCELLANEOUS NONOPERATING INCOME	170,186-	90,622-	169,783-	185,014-	140,124-	24
GAIN ON DISPOSITION OF PROPERTY	204,834	20,710	58,134	41,775	2,848	25
TOTAL OTHER INCOME	6,375,600	5,595,058	9,213,059	9,394,961	9,205,106	26
TOTAL INCOME	54,419,859	55,080,121	54,638,924	52,956,438	47,476,488	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	36,066	29,249	24,487	31,945	44,877	28
INCOME TAXES-NONOPERATING	1,434,944-	2,893,783-	676,475-	300,476	880,227-	29
LOSS ON DISPOSITION OF PROPERTY	43	-	875	-	69	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	439,908	317,562	378,755	195,278	130,622	32
TOTAL INCOME DEDUCTIONS	958,927-	2,546,972-	272,358-	527,699	684,659-	33
INCOME BEFORE INTEREST CHARGES	55,378,786	57,627,093	54,911,282	52,428,739	48,161,147	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	14,157,366	17,297,740	16,692,331	14,781,202	14,263,907	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	179,753	362,757	348,127	208,046	139,733	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	46,369-	46,369-	50,535-	51,923-	54,966-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	1,330,736	1,294,074	1,819,812	3,365,560	3,440,239	39
TOTAL INTEREST CHARGES	15,621,486	18,908,202	18,809,735	18,302,885	17,788,913	40
INCOME BEFORE EXTRAORDINARY ITEMS	39,757,300	38,718,891	36,101,547	34,125,854	30,372,234	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 39,757,300	$ 38,718,891	$ 36,101,547	$ 34,125,854	$ 30,372,234	46
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 64,858,456	$ 55,842,734	$ 49,992,452	$ 44,378,181	$ 39,553,926	47
BALANCE TRANSFERRED FROM INCOME	35,717,047	37,926,559	32,422,536	29,853,804	27,194,812	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	4,284,380	4,287,709	4,290,048	4,295,717	4,301,356	50
-COMMON STOCK	26,386,024	24,623,128	22,282,205	19,343,816	18,069,201	51
ADJUSTMENTS TO RETAINED EARNINGS	3,097,8[illegible]-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	66,807,220	64,858,456	55,842,734	49,992,452	44,378,181	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	35,000,717	30,960,464	30,168,132	26,489,120	22,217,070	55
TOTAL RETAINED EARNINGS, END OF YEAR	$ 101,807,937	$ 95,818,920	$ 86,010,866	$ 76,481,572	$ 66,595,251	56
	SELECTED BALANCE SHEET RELATIONSHIPS					
ELEC. UTILITY PLANT/DOLLAR OF ELEC REVENUE	1.49	1.32	1.36	1.47	1.62	57
OTHER UTILITY PLANT/DOLLAR OTHER REVENUE	0.98	0.91	0.82	0.85	0.93	58
TOTAL UTILITY PLANT/DOLLAR TOTAL REVENUE	1.34	1.21	1.19	1.29	1.43	59
CURRENT ASSETS / BY CURRENT LIABILITIES	1.52	1.70	1.15	1.11	1.12	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	37.4	36.8	36.7	39.2	41.3	61
PREFERRED STOCK	11.6	12.1	12.8	13.2	13.5	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	38.0	38.2	38.7	36.9	35.2	63
RETAINED EARNINGS	12.8	12.7	11.6	10.6	9.7	64
LONG-TERM DEBT % OF GROSS UTILITY PLANT	29.6	30.2	30.1	32.4	32.5	65
% OF NET UTILITY PLANT	43.0	43.4	42.3	44.5	42.8	66
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	31.1	30.4	28.9	27.2	24.0	67
	SELECTED INCOME ACCOUNT RELATIONSHIPS					
ELECTRIC OPERATING REVENUES:						
% OF TOTAL OPERATING REVENUES	71.0	71.6	68.9	70.3	72.1	68
PERCENT OF ELECTRIC OPERATING REVENUES						
ELECTRIC OPERATION AND MAINTENANCE	64.1	66.3	67.0	68.6	70.4	69
ELECTRIC DEPRECIATION AND AMORTIZATION	4.8	4.5	4.6	4.3	4.3	70
TOTAL INCOME TAXES-ELECTRIC, OPERATING	7.5	7.0	6.6	5.7	4.3	71
OTHER TAXES-ELECTRIC, OPERATING	11.1	10.4	9.9	9.6	9.7	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL ELECTRIC OPERATING EXPENSE	87.7	88.3	88.2	88.3	88.9	74
ELECTRIC OPERATING INCOME	12.2	11.6	11.7	11.6	11.0	75
ELEC.DEPR. AND AMORT.% OF ELEC. UTILITY PLT	3.1	3.3	3.3	3.0	2.6	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	3.3	3.8	3.9	4.1	4.5	77
PRETAX INTEREST COVERAGE	5.3	4.5	4.2	4.0	3.4	78
NET INCOME-PERCENT OF OPERATING REVENUES	8.3	7.7	7.4	7.6	7.7	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.8	0.8	0.8	0.9	1.0	80
TIMES EARNED	9.3	9.0	8.4	7.9	7.1	81
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	5.5	4.9	4.5	4.4	4.5	82
% OF EARNINGS AVAILABLE FOR COMMON	74.3	71.5	70.0	66.8	69.3	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	13.5	13.7	13.6	13.9	13.1	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.0	9.8	9.5	9.3	9.0	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 39,757,300	$ 38,718,881	$ 36,101,547	$ 34,125,864	$ 30,372,234
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	19,817,904	19,888,524	17,959,835	17,281,031	16,538,468
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	5,625,625	12,474,180	3,406,349	7,582,686	5,227,412
4	INTEREST CAPITALIZED	1,643,130-	3,389,108-	2,698,415-	1,818,656-	4,906,546-
5	OTHER (NET)	4,885,769	5,408,828	3,102,332	1,282,136	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	68,423,468	73,111,295	57,871,648	58,453,051	47,231,568
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	68,423,468	73,111,295	57,871,648	58,453,051	47,231,568
10	LESS DIVIDENDS: PREFERRED	4,284,380	4,287,709	4,290,048	4,295,717	4,301,356
11	COMMON	26,386,024	24,623,128	22,282,205	19,943,816	18,069,201
12	NET FUNDS FROM INTERNAL SOURCES	37,753,084	44,200,458	31,299,395	34,213,518	24,861,011
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	8,808,554	11,043,738	913,613	5,302,312	11,139
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	81,398	6,696,801	9,883,051	7,928,492	5,101,380
16	NET INCREASE IN SHORT TERM DEBT	4,500,000	-	-	5,900,000	8,100,000
17	OTHER (NET):	-	-	-	7,018,070	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	13,389,952	17,740,538	10,796,664	26,148,874	13,212,519
20	OTHER SOURCES (NET):	4,743,150	5,336,411	371,882	-	10,286,650
21						
22						
23	TOTAL FUNDS PROVIDED	$ 55,886,186	$ 67,277,408	$ 42,467,941	$ 60,362,392	$ 48,360,180
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	ELECTRIC PLANT	$ 29,934,032	$ 31,411,646	$ 12,134,576	$ 21,930,170	$ 25,608,856
25	NUCLEAR PLANT	-	-	-	-	5,045,486
26	NUCLEAR FUEL	-	-	-	-	275,185
27	GAS PLANT	9,584,211	6,770,393	4,259,737	6,432,452	6,710,594
28	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
29	STEAM PLANT	-	-	-	-	-
30	NON-UTILITY PLANT	17,951	34,625	-	2,184	13,699
31	OTHER	3,291,742	4,467,062-	6,898,073	5,110,259	3,419,828
32	TOTAL GROSS ADDITIONS	42,827,938	33,749,602	23,292,386	33,475,045	41,073,648
33	LESS INTEREST CAPITALIZED	1,643,130	3,389,108	2,698,415	1,818,656	4,906,546
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	41,184,808	30,360,494	20,593,971	31,656,389	36,167,102
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	677,142	354,573	8,018,168	10,016,182	6,013,828
36	PREFERRED STOCK	1,467,923	33,405	87,570	107,172	137,585
37	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	-	11,500,000	2,500,000	-	-
39	OTHER (NET):	-	-	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	2,145,065	11,887,978	10,605,738	10,123,354	6,151,413
42	OTHER USES (NET)	12,556,315	25,028,936	11,268,232	18,582,649	6,041,665
43						
44						
45	TOTAL FUNDS APPLIED	$ 55,886,186	$ 67,277,408	$ 42,467,941	$ 60,362,392	$ 48,360,180

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO.
	ELECTRIC OPERATING REVENUES					
REVENUES						
RESIDENTIAL	$ 106,556,674	$ 108,804,587	$ 104,310,545	$ 95,275,088	$ 83,356,819	1
COMMERCIAL AND INDUSTRIAL	131,219,405	133,505,079	128,104,417	122,882,207	109,281,834	2
PUBLIC STREET AND HIGHWAY LIGHTING	3,551,375	3,497,210	3,389,860	3,235,961	2,737,542	3
OTHER PUBLIC AUTHORITIES	3,775,986	3,780,010	3,747,623	3,584,878	3,259,100	4
RAILROADS AND RAILWAYS	-	-	-	-	-	5
INTERDEPARTMENTAL	144,087	143,424	151,277	125,821	106,758	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	245,247,527	249,510,310	239,703,722	225,103,955	198,722,053	7
RESALE	90,147,443	105,696,083	93,203,029	87,037,204	83,702,393	8
TOTAL REVENUES FROM ELECTRIC SALES	335,394,970	355,206,393	332,906,751	312,141,159	282,424,446	9
OTHER ELECTRIC OPERATING REVENUES	2,719,889	2,577,198	1,866,155	1,895,748	1,761,734	10
TOTAL ELECTRIC OPERATING REVENUES	$ 338,114,859	$ 357,783,591	$ 334,772,906	$ 314,036,907	$ 284,186,180	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	822,920	816,682	792,392	739,784	743,984	12
COMMERCIAL AND INDUSTRIAL	1,353,702	1,323,996	1,273,995	1,237,752	1,245,927	13
PUBLIC STREET AND HIGHWAY LIGHTING	18,886	18,553	18,367	18,152	18,199	14
OTHER PUBLIC AUTHORITIES	55,282	52,430	51,861	50,860	49,894	15
RAILROADS AND RAILWAYS	-	-	-	-	-	16
INTERDEPARTMENTAL	2,955	2,821	2,839	2,792	2,758	17
TOTAL SALES TO ULTIMATE CONSUMERS	2,253,745	2,214,482	2,139,455	2,049,342	2,060,743	18
RESALE	1,869,959	1,981,706	1,726,678	1,488,178	1,450,768	19
TOTAL KILOWATT-HOUR SALES	4,123,704	4,196,188	3,866,132	3,537,520	3,511,511	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	144,695	141,610	139,231	137,322	135,205	21
COMMERCIAL AND INDUSTRIAL	18,856	18,217	17,777	17,449	17,187	22
PUBLIC STREET AND HIGHWAY LIGHTING	400	384	387	382	364	23
OTHER PUBLIC AUTHORITIES	1	1	1	1	1	24
RAILROADS AND RAILWAYS	-	-	-	-	-	25
INTERDEPARTMENTAL	1	1	1	1	1	26
TOTAL ULTIMATE CONSUMERS	163,953	160,213	157,397	155,135	152,758	27
RESALE	6	7	8	7	7	28
TOTAL CUSTOMERS	163,959	160,220	157,405	155,142	152,765	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 736.42	$ 768.93	$ 749.08	$ 693.81	$ 616.52	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	5,687	5,767	5,690	5,387	5,502	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	12.95	13.30	13.16	12.88	11.20	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 6,959.03	$ 7,328.60	$ 7,206.19	$ 7,042.38	$ 6,367.24	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	71,792	72,679	71,685	70,935	72,492	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	9.69	10.08	10.06	9.93	8.77	35
	ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 109,595,730	$ 124,643,073	$ 122,208,296	$ 129,190,864	$ 123,976,717	36
OTHER	12,610,619	11,214,959	9,174,868	9,368,440	8,328,254	37
TOTAL STEAM POWER EXPENSES	122,206,349	135,858,032	131,383,164	138,559,304	132,304,971	38
NUCLEAR POWER						
FUEL	-	-	-	-	-	39
OTHER	-	-	-	-	-	40
TOTAL NUCLEAR POWER EXPENSES	-	-	-	-	-	41
HYDRAULIC POWER						
WATER FOR POWER	800,707	1,776,063	1,613,756	1,584,823	2,063,434	42
OTHER	1,129,037	946,982	1,113,011	1,077,912	783,059	43
TOTAL HYDRAULIC POWER EXPENSES	1,929,744	2,723,045	2,726,767	2,662,735	2,846,493	44
OTHER POWER GENERATION						
FUEL	437,524	837,757	881,432	424,060	548,456	45
OTHER	877,014	889,059	882,458	872,073	746,046	46
TOTAL OTHER POWER GENERATION EXPENSE	1,314,538	1,726,816	1,763,890	1,296,133	1,294,502	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	42,178,233	52,472,414	44,876,121	33,926,868	29,066,635	48
OTHER	1,086,901	1,114,606	1,478,468	1,354,383	1,721,688	49
TOTAL OTHER POWER SUPPLY EXPENSES	43,265,134	53,587,020	46,354,589	35,281,251	30,788,323	50
TOTAL POWER PRODUCTION EXPENSES	168,715,765	193,894,913	182,228,410	177,799,423	167,234,289	51
TRANSMISSION EXPENSES	4,827,191	5,068,347	4,883,107	4,429,066	4,678,418	52
DISTRIBUTION EXPENSES	13,429,263	12,115,682	10,704,351	10,572,469	8,386,617	53
CUSTOMER ACCOUNTS EXPENSES	6,860,297	7,031,437	6,794,223	6,046,396	5,331,569	54
SALES EXPENSES	1,573,086	1,218,453	929,627	676,526	529,510	55
ADMINISTRATIVE AND GENERAL	21,491,005	18,038,964	18,777,070	16,052,397	14,120,178	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 216,896,006	$ 237,367,776	$ 224,316,788	$ 215,576,277	$ 200,280,581	57
	ELECTRIC UTILITY PLANT*					
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	$ 20,657	$ 20,657	$ 20,657	$ 20,657	$ 20,657	58
PRODUCTION PLANT						
STEAM	177,735,879	172,838,846	171,975,632	170,057,680	165,929,029	59
NUCLEAR	-	-	-	-	-	60
HYDRAULIC	12,969,644	12,981,983	12,839,162	12,766,487	12,539,791	61
OTHER	5,346,765	5,583,243	1,335,316	1,335,316	1,334,693	62
TRANSMISSION PLANT	87,386,193	86,372,372	86,129,765	85,935,190	78,598,823	63
DISTRIBUTION PLANT	166,069,973	158,321,209	152,168,560	146,803,805	140,641,814	64
GENERAL PLANT	30,164,964	28,995,593	17,380,991	16,841,811	14,361,769	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	-	-	-	-	1,151,206	68
TOTAL ELECTRIC PLANT IN SERVICE	479,694,075	465,091,903	441,850,083	433,760,926	414,575,782	69
PLANT LEASED TO OTHERS	-	-	-	-	-	70
PLANT HELD FOR FUTURE USE	4,240,215	4,240,215	4,553,156	4,558,002	4,597,491	71
CONSTRUCTION WORK IN PROGRESS	32,011,683	19,275,364	12,798,438	10,684,270	54,191,890	72
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	73
TOTAL ELECTRIC UTILITY PLANT	515,945,973	488,607,482	459,201,677	449,003,198	473,365,163	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	163,065,039	151,812,663	139,216,653	127,393,032	116,031,693	75
NET ELECTRIC UTILITY PLANT	$ 352,880,934	$ 336,794,819	$ 319,985,024	$ 321,610,166	$ 357,333,470	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 465,091,903	$ 441,850,083	$ 433,760,926	$ 414,575,782	$ 395,185,334	77
ADDITIONS	17,197,713	24,934,721	10,020,407	22,153,835	23,100,136	78
RETIREMENTS	2,585,667	1,608,433	1,714,748	1,714,583	3,720,559	79
TRANSFERS AND ADJUSTMENTS	9,884-	84,468-	216,502-	1,254,108-	9,871	80
PLANT IN SERVICE END OF YEAR	$ 479,694,075	$ 465,091,903	$ 441,850,083	$ 433,760,926	$ 414,575,782	81

*EXCLUDES ALLOCATION OF COMMON PLANT

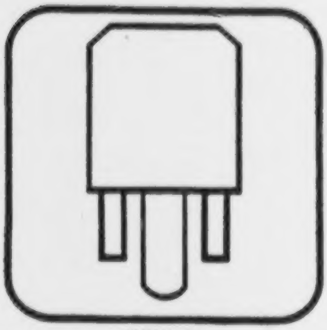
MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

YEARS ENDED DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC.

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES - ULTIMATE CONSUMERS	$ 247,987,416	$ 252,087,508	$ 241,569,877	$ 226,999,703	$ 200,483,787
2	SALES-ULTIMATE CONSUMERS (000 KWH)	2,253,744	2,214,482	2,139,454	2,049,341	2,080,742
				DOLLAR AMOUNTS		
3	FUEL AND PURCHASED POWER	$ 80,340,595	$ 90,451,476	$ 89,983,224	$ 92,376,187	$ 91,248,122
4	WAGES AND BENEFITS	38,848,329	34,698,682	33,345,631	30,932,711	28,645,885
5	OTHER OPERATION AND MAINTENANCE EXPENSES	23,186,188	20,958,081	19,664,876	18,028,773	16,528,686
6	DEPRECIATION AND AMORTIZATION EXPENSES	16,436,948	16,199,991	15,612,185	13,752,724	12,459,974
7	INCOME TAXES - OPERATING	25,645,012	25,398,447	22,356,539	17,946,476	12,253,231
8	OTHER TAXES - OPERATING	37,881,733	37,246,266	33,179,853	30,213,413	27,853,405
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	11,453,440	12,807,195	13,476,752	14,107,950	10,884,775
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	3,437,883	3,483,058	3,479,753	3,325,989	3,029,762
11	EARNINGS AVAILABLE FOR COMMON EQUITY	10,777,309	11,044,312	10,471,264	6,286,480	220,053-
12	TOTAL	$ 247,987,416	$ 252,087,508	$ 241,569,877	$ 226,999,703	$ 200,483,787
				PERCENT OF REVENUES - ULTIMATE CONSUMERS		
13	FUEL AND PURCHASED POWER	32.4	35.9	37.2	40.7	45.5
14	WAGES AND BENEFITS	15.7	13.8	13.8	13.6	13.3
15	OTHER OPERATION AND MAINTENANCE EXPENSES	9.3	8.3	8.1	7.9	8.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	6.6	6.4	6.5	6.1	6.2
17	INCOME TAXES - OPERATING	10.3	10.1	9.3	7.9	6.1
18	OTHER TAXES - OPERATING	15.3	14.8	13.7	13.3	13.8
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	4.6	5.0	5.6	6.2	5.4
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.4	1.4	1.4	1.5	1.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	4.3	4.4	4.3	2.8	-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER KWH		
23	FUEL AND PURCHASED POWER	3.56	4.08	4.13	4.51	4.43
24	WAGES AND BENEFITS	1.72	1.57	1.56	1.51	1.29
25	OTHER OPERATION AND MAINTENANCE EXPENSES	1.03	0.95	0.92	0.88	0.80
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.73	0.73	0.73	0.67	0.60
27	INCOME TAXES - OPERATING	1.14	1.15	1.04	0.88	0.59
28	OTHER TAXES - OPERATING	1.68	1.68	1.55	1.47	1.34
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	0.51	0.57	0.63	0.69	0.53
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.15	0.16	0.16	0.16	0.15
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.48	0.50	0.49	0.31	-
32	TOTAL	11.00	11.38	11.29	11.08	9.73
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	81.93	82.15	81.74	81.91	83.95



POWER

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS, YEARS ENDED DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 1,845,454,152	$ 1,640,231,789	$ 1,442,961,749	$ 1,267,179,729	$ 1,156,867,673
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	481,211,395	437,781,057	398,781,446	356,904,445	315,885,857
3	NET ELECTRIC UTILITY PLANT	1,364,242,757	1,202,450,732	1,044,180,303	910,275,284	840,981,816
4	OTHER UTILITY PLANT	311,655,299	308,474,117	292,371,987	278,382,551	263,747,005
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	95,048,261	92,349,591	87,499,389	80,212,431	73,536,011
6	NET OTHER UTILITY PLANT	216,607,038	216,124,526	204,872,598	198,170,120	190,210,994
7	TOTAL UTILITY PLANT	2,157,109,451	1,948,705,906	1,735,333,736	1,545,562,280	1,420,614,678
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	576,259,656	530,130,648	486,280,835	437,116,876	389,421,868
9	NET TOTAL UTILITY PLANT	1,580,849,795	1,418,575,258	1,249,052,901	1,108,445,404	1,031,192,810
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	27,371	27,371	27,371	3,573,858	3,573,858
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	2,237,100	2,237,100	2,237,100	-	-
13	OTHER INVESTMENTS	290,759	298,759	116,656	116,656	116,656
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	2,555,230	2,563,230	2,381,127	3,690,514	3,690,514
16	CASH	1,154,964	903,611	1,701,408	1,098,230	1,428,173
17	SPECIAL DEPOSITS	5,463,259	8,969,494	1,108,159	5,373,232	27,494
18	WORKING FUNDS	72,079	68,029	233,271	387,932	553,914-
19	TEMPORARY CASH INVESTMENTS	39,798,414	38,545,798	21,499,861	-	500,000
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	68,308,759	67,572,961	72,406,539	73,336,960	65,375,629
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
22	MATERIALS AND SUPPLIES	21,013,566	20,879,942	28,873,396	34,989,937	36,015,919
23	PREPAYMENTS	10,186,115	8,088,717	9,856,541	9,309,688	3,175,436
24	OTHER CURRENT AND ACCRUED ASSETS	163,744	64,591	184,798	238,388	7,961
25	TOTAL CURRENT AND ACCRUED ASSETS	144,180,900	151,101,143	135,725,029	124,702,365	106,976,697
26	UNAMORTIZED DEBT EXPENSE	9,081,381	8,000,188	7,293,542	6,427,564	5,222,019
27	EXTRAORDINARY PROPERTY LOSSES	48,116,001	34,479,446	37,379,391	30,988,677	-
28	PREL. SURVEY + INVESTIGATION CHARGES	1,705,308	1,088,666	1,698,130	1,563,216	841,835
29	CLEARING ACCOUNTS	-	-	-	-	-
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	52,536-	2,063,209	4,779,231	6,010,107	4,053,478
32	ACCUMULATED DEFERRED INCOME TAXES	9,912,541	14,899,384	15,049,009	25,589,388	21,015,059
33	OTHER DEFERRED DEBITS	13,513,143	1,398,148	24,983,673	27,352,364	10,620,402
34	TOTAL DEFERRED DEBITS	82,275,929	61,727,082	91,178,976	106,929,266	41,752,793
35	TOTAL ASSETS AND OTHER DEBITS	$ 1,809,861,854	$ 1,633,966,683	$ 1,478,338,033	$ 1,343,767,559	$ 1,182,612,814
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 142,484,495	$ 128,382,435	$ 122,032,115	$ 109,966,955	$ 95,199,545
37	PREFERRED STOCK ISSUED	114,547,500	144,187,500	144,187,500	145,000,000	145,000,000
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	330,575,694	287,771,904	274,581,462	243,717,532	217,235,371
41	OTHER PAID-IN CAPITAL	376,367	102,139	102,139	-	-
42	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
43	CAPITAL STOCK EXPENSE	12,359,142-	11,340,117-	11,468,987-	10,782,749-	10,080,523-
44	RETAINED EARNINGS	216,794,787	179,675,826	153,142,070	119,799,019	104,831,721
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
46	REACQUIRED CAPITAL STOCK	-	-	-	-	-
47	TOTAL PROPRIETARY CAPITAL	792,419,691	728,779,687	682,588,289	607,700,757	552,206,114
48	BONDS (LESS BONDS REACQUIRED)	676,500,000	636,500,000	611,500,000	541,167,000	486,667,000
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	91,900,000	51,700,000	-	-	-
51	NET UNAMORTIZED PREMIUM + DISCOUNT	139,341-	181,583-	217,792-	254,001-	158,658-
52	TOTAL LONG-TERM DEBT	768,260,659	688,018,417	611,282,208	540,912,999	486,508,342
53	NOTES PAYABLE	-	-	-	40,000,000	-
54	ACCOUNTS PAYABLE	44,288,476	43,472,318	54,134,270	34,334,083	38,738,061
55	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
56	CUSTOMER DEPOSITS	1,600,350	1,282,157	785,656	627,821	616,757
57	TAXES ACCRUED	1,299,052	7,308,458	4,501,420	6,464,883	3,339,462
58	INTEREST ACCRUED	14,584,970	13,276,409	12,862,581	14,286,974	13,980,233
59	DIVIDENDS DECLARED	17,718,413	16,849,210	59,923	92,510	82,651
60	TAX COLLECTIONS PAYABLE	1,480,388	1,199,983	1,234,167	1,170,883	1,227,118
61	OTHER CURRENT AND ACCRUED LIABILITIES	7,958,557	7,064,370	7,254,679	12,380,990	8,406,454
62	TOTAL CURRENT AND ACCRUED LIABILITIES	88,910,206	90,432,905	80,812,686	109,306,954	67,389,754
63	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	2,000	4,000	6,000
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	76,011,456	68,052,852	37,241,083	24,923,141	19,010,129
66	OTHER DEFERRED CREDITS	22,453,871	11,562,502	16,671,812	11,424,915	20,978,840
	ACCUMULATED DEFERRED INCOME TAXES.					
67	ACCELERATED AMORTIZATION	-	-	-	-	-
68	LIBERALIZED DEPRECIATION	41,178,286	33,009,606	24,082,649	19,206,360	15,542,441
69	OTHER	19,325,619	14,704,522	24,522,940	29,690,827	20,480,172
70	TOTAL DEFERRED CREDITS	158,969,034	125,329,481	102,490,454	85,249,243	76,017,582
71	PROPERTY INSURANCE RESERVE	463,115	288,583	104,472	3,222	3,222
72	INJURIES AND DAMAGE RESERVE	839,149	1,117,620	1,059,914	594,384	487,800
73	PENSION AND BENEFITS RESERVE	-	-	-	-	-
74	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
75	TOTAL OPERATING RESERVES	1,302,264	1,406,203	1,164,386	597,606	491,022
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,809,861,854	$ 1,633,966,683	$ 1,478,338,033	$ 1,343,767,559	$ 1,182,612,814

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

ROCHESTER GAS AND ELECTRIC CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
	COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS					
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 473,553,467	$ 476,959,124	$ 463,591,606	$ 405,698,146	$ 374,626,127	1
OPERATION AND MAINTENANCE EXPENSE	223,787,385	248,749,561	255,421,004	237,677,721	230,908,825	2
DEPRECIATION EXPENSE	34,803,886	31,830,025	29,981,981	28,324,385	26,202,488	3
AMORTIZATION	4,211,221	2,978,248	2,685,591	1,103,946	78,304	4
TAXES OTHER THAN INCOME TAXES	58,867,221	59,215,611	57,930,984	52,958,276	47,436,502	5
INCOME TAXES	22,761,038	36,519,155	15,078,574	8,598,115	8,128,035	6
PROVISION FOR DEFERRED INCOME TAXES	24,866,576	23,286,130	43,900,796	42,783,590	31,554,677	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	4,439,632	12,374,850-	24,838,338	31,369,334-	28,275,861-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	13,300	-	-	-	11
TOTAL OPERATING EXPENSES	373,736,959	390,196,170	380,338,614	338,072,679	316,029,978	12
NET OPERATING REVENUES	99,816,508	86,762,954	83,252,992	67,625,467	58,596,149	13
INC. FROM LSD. PLT. & OTHER OPER. INC	-	-	-	-	-	14
ELECTRIC UTILITY OPERATING INCOME	99,816,508	86,762,954	83,252,992	67,625,467	58,596,149	15
OTHER UTILITY OPERATING INCOME	19,437,518	22,301,523	15,571,368	17,443,975	20,745,612	16
TOTAL UTILITY OPERATING INCOME	119,254,026	109,064,477	98,824,360	85,069,442	79,341,761	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	397-	-	1,320	8,863-	2,330-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	-	15,329	26,560	9,128	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	1,034,759-	21
INTEREST AND DIVIDEND INCOME	5,009,936	2,637,144	2,394,727	1,518,434	653,681	22
ALLOWANCE FOR CONSTRUCTION FUNDS	52,732,548	46,522,880	36,091,814	28,715,430	21,110,341	23
MISCELLANEOUS NONOPERATING INCOME	306,575-	1,158,391-	332,095	321,625	2,276	24
GAIN ON DISPOSITION OF PROPERTY	10,686	24,083	15,270	32,901	511	25
TOTAL OTHER INCOME	57,536,177	48,025,725	38,850,555	30,606,256	20,738,839	26
TOTAL INCOME	176,790,203	157,090,202	137,674,915	115,675,698	100,080,600	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	70,541	83,082	122,986	87,944	57,257	28
INCOME TAXES-NONOPERATING	13,344,232-	13,366,508-	9,724,205-	8,486,922-	9,046,590-	29
LOSS ON DISPOSITION OF PROPERTY	8,177,216	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	283,684	378,420	378,420	378,420	378,420	31
MISCELLANEOUS INCOME DEDUCTIONS	534,325	779,774	904,568	868,579	1,383,096	32
TOTAL INCOME DEDUCTIONS	4,278,466-	12,114,232-	8,318,231-	7,151,979-	7,227,817-	33
INCOME BEFORE INTEREST CHARGES	181,068,669	169,204,434	145,993,146	122,827,677	107,308,417	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	70,372,960	63,103,083	56,760,888	48,327,328	38,020,016	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	833,145	750,386	670,573	519,236	340,738	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	33,617-	38,661-	39,651-	40,473-	41,625-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	1,427,700	1,772,538	2,353,901	3,981,897	3,676,061	39
TOTAL INTEREST CHARGES	72,600,188	65,586,337	59,745,311	52,787,987	41,995,188	40
INCOME BEFORE EXTRAORDINARY ITEMS	108,468,481	103,618,097	86,247,835	70,039,690	65,313,229	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 108,468,481	$ 103,618,097	$ 86,247,835	$ 70,039,690	$ 65,313,229	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 179,633,479	$ 153,099,723	$ 119,756,672	$ 104,789,374	$ 82,787,832	47
BALANCE TRANSFERRED FROM INCOME	108,468,481	103,618,097	86,247,835	70,039,690	65,462,435	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	9,467,448	12,212,814	10,514,708	10,538,000	10,538,000	50
-COMMON STOCK	61,882,072	64,871,527	42,390,076	44,534,392	35,578,922	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	1,666,029	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	216,752,440	179,633,479	153,099,723	119,756,672	104,789,374	53
APPROPRIATED RETAINED EARNINGS	42,347	42,347	42,347	42,347	42,347	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS, END OF YEAR	$ 216,794,787	$ 179,675,826	$ 153,142,070	$ 119,799,019	$ 104,831,721	56
	SELECTED BALANCE SHEET RELATIONSHIPS					
ELEC. UTILITY PLANT/DOLLAR OF ELEC REVENUE	3.86	3.23	2.92	2.90	2.93	57
OTHER UTILITY PLANT/DOLLAR OTHER REVENUE	1.09	0.96	0.98	0.98	1.08	58
TOTAL UTILITY PLANT/DOLLAR TOTAL REVENUE	2.71	2.36	2.17	2.17	2.22	59
CURRENT ASSETS / BY CURRENT LIABILITIES	1.62	1.67	1.88	1.14	1.57	60
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	49.2	48.5	47.2	47.0	46.8	61
PREFERRED STOCK	7.3	10.1	11.1	12.6	13.9	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	29.5	28.5	29.7	29.8	29.1	63
RETAINED EARNINGS	13.8	12.6	11.8	10.4	10.0	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	36.6	36.3	36.2	34.9	34.2	65
% OF NET UTILITY PLANT	48.5	46.5	46.9	46.7	47.1	66
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	26.7	27.2	28.0	28.2	27.4	67
	SELECTED INCOME ACCOUNT RELATIONSHIPS					
ELECTRIC OPERATING REVENUES:						
% OF TOTAL OPERATING REVENUES	62.9	60.8	61.3	59.4	61.4	68
PERCENT OF ELECTRIC OPERATING REVENUES:						
ELECTRIC OPERATION AND MAINTENANCE	47.2	52.1	55.0	58.5	61.6	69
ELECTRIC DEPRECIATION AND AMORTIZATION	8.2	7.2	7.0	7.2	7.0	70
TOTAL INCOME TAXES-ELECTRIC, OPERATING	10.9	9.9	7.4	4.4	3.0	71
OTHER TAXES-ELECTRIC, OPERATING	12.4	12.4	12.4	13.0	12.6	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL ELECTRIC OPERATING EXPENSE -	78.9	81.8	82.0	83.3	84.3	74
ELECTRIC OPERATING INCOME	21.0	18.1	17.9	16.6	15.6	75
ELEC. DEPR. AND AMORT % OF ELEC. UTILITY PLT	2.1	2.1	2.2	2.3	2.2	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	9.6	8.4	7.9	7.7	6.9	77
PRETAX INTEREST COVERAGE	3.1	3.3	2.9	2.6	2.8	78
NET INCOME-PERCENT OF OPERATING REVENUES	14.3	13.2	11.4	10.2	10.7	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	1.2	1.9	1.3	1.5	1.7	80
TIMES EARNED	11.5	8.5	8.2	6.6	6.2	81
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	8.1	8.2	5.6	6.5	5.8	82
% OF EARNINGS AVAILABLE FOR COMMON	62.5	70.9	55.9	74.8	64.9	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	15.6	16.2	15.1	13.6	14.0	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	9.8	11.5	8.4	10.2	9.1	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 108,468,481	$ 103,618,097	$ 86,247,835	$ 70,039,890	$ 65,313,229
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	65,849,396	59,294,449	57,795,965	53,752,322	56,683,094
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	27,535,227	28,203,456	22,460,219	14,110,446	6,172,981
4	INTEREST CAPITALIZED	52,732,548-	46,522,889-	36,091,814-	28,715,430-	21,110,341-
5	OTHER (NET):	9,281,421-	11,390,108	17,274,526	2,611,819-	20,098,821
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	139,839,135	155,983,221	147,686,731	108,575,209	127,157,784
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	139,839,135	155,983,221	147,686,731	108,575,209	127,157,784
10	LESS DIVIDENDS PREFERRED	9,467,448	12,212,814	10,514,708	10,538,000	10,538,000
11	COMMON	61,882,072	64,871,527	42,390,076	38,109,224	28,594,193
12	NET FUNDS FROM INTERNAL SOURCES	68,489,615	78,898,880	94,781,947	59,927,985	88,025,591
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	50,000,000	25,000,000	100,000,000	60,500,000	50,000,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	56,905,850	19,530,772	42,939,080	32,824,401	8,182,351
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	40,000,000	-
17	OTHER (NET)	40,474,218	51,700,000	102,139	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	147,380,068	96,230,772	143,041,219	133,324,401	58,182,351
20	OTHER SOURCES (NET):	13,878,362	10,037,160	1,594,066	-	3,339,423
21						
22						
23	TOTAL FUNDS PROVIDED	$ 229,748,045	$ 185,166,812	$ 239,417,232	$ 193,252,386	$ 149,547,365
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	ELECTRIC PLANT	$ 29,319,237	$ 27,407,531	$ 31,967,241	$ 68,610,762	$ 29,161,636
25	NUCLEAR PLANT	176,198,177	156,648,606	138,067,672	70,544,081	78,007,680
26	NUCLEAR FUEL	16,655,510	19,775,779	16,678,479	17,318,115	14,906,555
27	GAS PLANT	12,315,238	11,434,160	11,493,393	11,336,074	13,205,246
28	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
29	STEAM PLANT	112,084	134,685	117,048	370,185	52,343-
30	NON-UTILITY PLANT	-	-	-	-	-
31	OTHER	8,240,347	10,530,509	4,727,831	5,426,388	3,645,242
32	TOTAL GROSS ADDITIONS	242,840,593	225,931,270	203,051,664	173,605,605	138,874,015
33	LESS INTEREST CAPITALIZED	52,732,548	46,522,889	36,091,814	28,715,430	21,110,341
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	190,108,045	179,408,381	166,959,850	144,890,175	117,763,674
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	10,000,000	-	29,667,000	6,000,000	-
36	PREFERRED STOCK	1,640,000	-	812,500	-	-
37	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	-	-	40,000,000	-	25,300,000
39	OTHER (NET):	28,000,000	-	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	39,640,000	-	70,479,500	6,000,000	25,300,000
42	OTHER USES (NET):	-	5,758,431	1,977,882	42,362,211	6,483,691
43						
44						
45	TOTAL FUNDS APPLIED	$ 229,748,045	$ 185,166,812	$ 239,417,232	$ 193,252,386	$ 149,547,365

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO.
	ELECTRIC OPERATING REVENUES					
REVENUES						
RESIDENTIAL	$ 155,193,512	$ 147,500,182	$ 143,455,486	$ 129,201,644	$ 111,549,365	1
COMMERCIAL AND INDUSTRIAL	232,428,664	227,679,659	222,207,534	200,657,128	175,503,665	2
PUBLIC STREET AND HIGHWAY LIGHTING	10,560,815	10,587,882	10,705,227	9,953,570	8,728,129	3
OTHER PUBLIC AUTHORITIES	27,654,453	27,789,704	29,049,604	25,630,669	22,848,668	4
RAILROADS AND RAILWAYS	-	-	-	-	-	5
INTERDEPARTMENTAL	-	-	-	-	-	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	425,838,244	413,557,407	405,417,851	365,443,231	318,629,817	7
RESALE	44,103,222	60,103,580	55,643,595	38,481,010	54,301,430	8
TOTAL REVENUES FROM ELECTRIC SALES	469,938,466	473,660,987	461,061,446	403,924,241	372,931,247	9
OTHER ELECTRIC OPERATING REVENUES	3,615,001	3,298,137	2,530,160	1,773,905	1,694,880	10
TOTAL ELECTRIC OPERATING REVENUES	$ 473,553,467	$ 476,959,124	$ 463,591,606	$ 405,698,146	$ 374,626,127	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	1,846,983	1,834,584	1,788,785	1,757,252	1,752,335	12
COMMERCIAL AND INDUSTRIAL	3,408,130	3,323,077	3,101,523	3,035,236	3,101,482	13
PUBLIC STREET AND HIGHWAY LIGHTING	48,321	48,002	50,431	52,147	53,921	14
OTHER PUBLIC AUTHORITIES	405,821	404,187	411,658	393,358	406,891	15
RAILROADS AND RAILWAYS	-	-	-	-	-	16
INTERDEPARTMENTAL	-	-	-	-	-	17
TOTAL SALES TO ULTIMATE CONSUMERS	5,705,285	5,609,830	5,352,397	5,237,992	5,314,630	18
RESALE	1,404,504	1,554,392	1,370,239	1,131,143	1,371,077	19
TOTAL KILOWATT-HOUR SALES	7,109,789	7,164,222	6,722,636	6,369,135	6,685,707	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	275,236	270,572	266,587	263,413	259,456	21
COMMERCIAL AND INDUSTRIAL	27,263	26,745	26,251	26,022	26,099	22
PUBLIC STREET AND HIGHWAY LIGHTING	237	183	156	154	152	23
OTHER PUBLIC AUTHORITIES	2,042	2,031	2,016	2,057	2,115	24
RAILROADS AND RAILWAYS	-	-	-	-	-	25
INTERDEPARTMENTAL	-	-	-	-	-	26
TOTAL ULTIMATE CONSUMERS	304,777	299,531	295,010	291,646	287,822	27
RESALE	8	8	8	8	8	28
TOTAL CUSTOMERS	304,785	299,539	295,018	291,654	287,830	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 563.86	$ 545.14	$ 538.12	$ 490.49	$ 429.94	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	6,711	6,780	6,710	6,671	6,754	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	8.40	8.04	8.02	7.35	6.37	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 8,525.35	$ 8,512.98	$ 8,464.73	$ 7,711.06	$ 6,724.54	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	124,936	124,250	118,149	116,641	118,835	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	6.82	6.85	7.16	6.61	5.66	35
	ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 53,547,059	$ 73,159,096	$ 77,253,036	$ 65,013,563	$ 72,582,755	36
OTHER	12,026,467	11,715,784	10,182,566	10,287,068	5,837,229	37
TOTAL STEAM POWER EXPENSES	65,573,526	84,874,880	87,435,602	75,300,631	78,419,984	38
NUCLEAR POWER						
FUEL	18,163,123	17,340,760	18,954,214	17,469,589	24,915,462	39
OTHER	31,609,327	32,678,983	26,955,130	29,570,446	22,481,003	40
TOTAL NUCLEAR POWER EXPENSES	49,772,450	50,019,743	45,909,344	47,040,035	47,396,465	41
HYDRAULIC POWER						
WATER FOR POWER	189,652	289,975	224,728	242,969	269,834	42
OTHER	1,426,299	1,213,881	955,002	869,998	846,465	43
TOTAL HYDRAULIC POWER EXPENSES	1,615,951	1,503,856	1,179,730	1,112,967	1,116,299	44
OTHER POWER GENERATION						
FUEL	216,643	85,592	686,075	2,191,435	1,113,720	45
OTHER	487,651	93,922	173,770	149,380	183,190	46
TOTAL OTHER POWER GENERATION EXPENSE	704,294	179,514	859,845	2,340,815	1,296,910	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	27,803,662	35,772,266	35,538,153	45,920,676	29,706,286	48
OTHER	843,734	757,483	689,357	870,995	330,370	49
TOTAL OTHER POWER SUPPLY EXPENSES	28,647,396	36,529,749	36,227,510	46,791,671	30,036,656	50
TOTAL POWER PRODUCTION EXPENSES	146,313,617	173,107,742	171,612,031	172,586,119	158,266,314	51
TRANSMISSION EXPENSES	9,070,837	8,793,496	8,589,931	7,840,741	8,500,990	52
DISTRIBUTION EXPENSES	19,686,495	18,852,823	18,758,340	17,999,756	17,095,574	53
CUSTOMER ACCOUNTS EXPENSES	8,581,194	10,335,647	10,984,280	9,358,027	8,151,285	54
SALES EXPENSES	2,375,094	2,384,893	2,238,151	1,957,095	1,828,552	55
ADMINISTRATIVE AND GENERAL	37,760,148	35,274,950	43,238,331	27,935,383	37,083,110	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 223,787,385	$ 248,749,551	$ 255,421,064	$ 237,677,721	$ 230,905,825	57
	ELECTRIC UTILITY PLANT*					
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	-	-	-	-	-	58
PRODUCTION PLANT						
STEAM	190,644,420	186,672,265	183,287,098	179,799,229	96,710,854	59
NUCLEAR	255,067,385	236,070,721	214,984,615	182,754,383	159,487,324	60
HYDRAULIC	13,769,459	11,384,525	10,750,979	10,675,413	10,636,806	61
OTHER	3,572,780	3,572,780	3,552,832	3,526,689	3,449,030	62
TRANSMISSION PLANT	143,755,487	142,217,676	135,701,723	131,699,440	122,861,863	63
DISTRIBUTION PLANT	316,217,634	303,751,220	289,861,168	277,144,571	263,318,567	64
GENERAL PLANT	17,922,827	22,568,342	11,839,730	10,266,737	92,517,756	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	196,858,845	181,011,836	161,538,557	145,112,578	127,794,463	68
TOTAL ELECTRIC PLANT IN SERVICE	1,137,806,837	1,087,249,365	1,011,516,702	940,979,040	876,776,663	69
PLANT LEASED TO OTHERS	-	-	-	-	-	70
PLANT HELD FOR FUTURE USE	1,978,198	1,983,835	2,025,350	2,025,350	2,025,350	71
CONSTRUCTION WORK IN PROGRESS	703,396,293	548,669,461	426,992,265	341,669,602	275,481,619	72
PLANT ACQUISITION ADJUSTMENTS	2,270,824	2,349,128	2,427,432	2,505,737	2,584,041	73
TOTAL ELECTRIC UTILITY PLANT	1,845,454,152	1,640,231,789	1,442,961,749	1,287,179,729	1,156,867,673	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	481,211,395	437,781,057	398,781,446	356,904,445	315,885,857	75
NET ELECTRIC UTILITY PLANT	$ 1,364,242,757	$ 1,202,450,732	$ 1,044,180,303	$ 910,275,284	$ 840,981,816	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,087,249,365	$ 1,011,516,702	$ 940,979,040	$ 876,776,663	$ 816,361,828	77
ADDITIONS	55,656,138	67,958,705	72,685,564	68,667,763	67,940,164	78
RETIREMENTS	5,237,933	5,253,811	3,319,164	2,981,085	4,067,946	79
TRANSFERS AND ADJUSTMENTS	141,267	13,027,789	1,171,262	1,484,301-	3,457,383-	80
PLANT IN SERVICE END OF YEAR	$ 1,137,806,837	$ 1,087,249,365	$ 1,011,516,702	$ 940,979,040	$ 876,776,663	81

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

YEARS ENDED DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES - ULTIMATE CONSUMERS	$ 429,450,245	$ 416,855,544	$ 407,948,011	$ 367,217,138	$ 320,324,697
2	SALES-ULTIMATE CONSUMERS (000 KWH)	5,705,285	5,609,829	5,352,398	5,237,992	5,314,630
	DOLLAR AMOUNTS					
3	FUEL AND PURCHASED POWER	$ 65,254,171	$ 85,153,864	$ 92,750,050	$ 96,053,583	$ 86,918,328
4	WAGES AND BENEFITS	70,856,864	67,492,408	63,422,753	60,110,600	55,997,878
5	OTHER OPERATION AND MAINTFNANCE EXPENSES	51,805,878	53,068,364	57,971,866	45,597,747	44,948,813
6	DEPRECIATION AND AMORTIZATION EXPENSES	39,014,917	34,808,273	32,647,582	29,428,311	26,280,790
7	INCOME TAXES - OPERATING	52,067,436	47,409,436	34,339,034	18,010,371	11,406,861
8	OTHER TAXES - OPERATING	58,867,221	59,215,611	57,930,964	52,956,276	47,436,502
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	37,624,467	33,358,275	31,568,717	30,441,876	24,299,300
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	5,079,992	6,704,507	5,715,066	6,423,776	7,047,158
11	EARNINGS AVAILABLE FOR COMMON EQUITY	49,079,299	29,644,809	31,602,009	28,194,596	15,989,067
12	TOTAL	$ 429,450,245	$ 416,855,544	$ 407,948,011	$ 367,217,138	$ 320,324,697
	PERCENT OF REVENUES - ULTIMATE CONSUMERS					
13	FUEL AND PURCHASED POWER	15.2	20.4	22.7	26.2	27.1
14	WAGES AND BENEFITS	16.5	16.2	15.5	16.4	17.5
15	OTHER OPERATION AND MAINTENANCE EXPENSES	12.1	12.7	14.2	12.4	14.0
16	DEPRECIATION AND AMORTIZATION EXPENSES	9.1	8.4	8.0	8.0	8.2
17	INCOME TAXES - OPERATING	12.1	11.4	8.4	4.9	3.6
18	OTHER TAXES - OPERATING	13.7	14.2	14.2	14.4	14.8
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	8.8	8.0	7.7	8.3	7.6
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.2	1.6	1.4	1.7	2.2
21	EARNINGS AVAILABLE FOR COMMON EQUITY	11.4	7.1	7.7	7.7	5.0
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	CENTS PER KWH					
23	FUEL AND PURCHASED POWER	1.14	1.52	1.73	1.83	1.64
24	WAGES AND BENEFITS	1.24	1.20	1.18	1.15	1.05
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.91	0.95	1.08	0.87	0.85
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.68	0.62	0.61	0.56	0.49
27	INCOME TAXES - OPERATING	0.91	0.85	0.64	0.34	0.21
28	OTHER TAXES - OPERATING	1.03	1.06	1.08	1.01	0.89
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	0.66	0.59	0.59	0.58	0.46
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.09	0.12	0.11	0.12	0.13
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.86	0.53	0.59	0.54	0.30
32	TOTAL	7.53	7.43	7.62	7.01	6.03
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	89.03	87.49	86.17	84.85	84.25

SECTION II.

GAS SERVICE COMPANIES

Balance Sheets
Income Statements
Statements of Changes in Financial Position
Statements of Revenue, Plant, and Operation and Maintenance
Distribution of Gas Revenues

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

BROOKLYN UNION GAS COMPANY, THE

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 901,135,110	$ 836,248,576	$ 779,651,540	$ 727,185,861	$ 682,718,712
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	219,239,118	200,918,570	183,953,129	167,355,487	155,972,187
3	NET GAS UTILITY PLANT	681,895,992	635,330,006	595,698,411	559,830,374	526,746,525
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	901,135,110	836,248,576	779,651,540	727,185,861	682,718,712
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	219,239,118	200,918,570	183,953,129	167,355,487	155,972,187
9	NET TOTAL UTILITY PLANT	681,895,992	635,330,006	595,698,411	559,830,374	526,746,525
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPRECIATION AND AMORTIZATION	130,867	476,183	51,316	51,316	51,316
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	34,915,553	33,862,172	32,551,467	26,298,404	22,894,282
13	OTHER INVESTMENTS	629,700	409,700	409,700	417,565	132,565
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	35,676,120	34,748,055	33,012,483	26,767,285	23,078,163
16	CASH	3,995,265	3,820,818	2,877,765	2,548,799	5,097,485
17	SPECIAL DEPOSITS	851,832	551,881	610,578	857,693	611,879
18	WORKING FUNDS	175,000	145,000	141,675	140,000	135,000
19	TEMPORARY CASH INVESTMENTS	23,436,669	-	-	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	13,529,978	25,758,485	44,476,270	27,828,967	20,839,490
21	RECEIVABLES FROM ASSOCIATED COMPANIES	671,261	871,228	538,777	580,775	505,719
22	MATERIALS AND SUPPLIES	14,114,193	17,152,303	14,450,010	14,982,810	16,128,374
23	GAS STORED UNDERGROUND-CURRENT	3,936,873	3,682,098	3,749,012	2,534,001	739,300
24	LIQUEFIED NATURAL GAS IN STORAGE	6,191,923	5,682,831	4,923,790	4,421,286	3,648,111
25	PREPAYMENTS	97,993,890	96,395,009	96,332,265	114,029,107	86,551,920
26	OTHER CURRENT AND ACCRUED ASSETS	137,551,519	113,141,058	127,446,192	95,900,031	101,521,622
27	TOTAL CURRENT AND ACCRUED ASSETS	302,448,403	267,200,671	295,546,334	263,823,469	235,778,900
28	UNAMORTIZED DEBT EXPENSE	7,668,324	3,209,585	3,510,332	1,816,908	2,061,240
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL. SURVEY + INVESTIGATION CHARGES	291,593	336,124	103,388	378,944	393,868
31	CLEARING ACCOUNTS	639,908	792,874	413,365	621,159	383,842
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	1,612,178-	1,123,734-	453,159-	512,324	372,478-
34	ACCUMULATED DEFERRED INCOME TAXES	200,477	1,872,806	753,476	10,071-	-
35	OTHER DEFERRED DEBITS	8,963,284	26,596,476	16,982,969	28,496,342	3,227,866
36	TOTAL DEFERRED DEBITS	16,151,408	31,684,131	21,310,369	31,815,606	5,694,338
37	TOTAL ASSETS AND OTHER DEBITS	$ 1,036,171,923	$ 968,962,863	$ 945,567,597	$ 882,036,734	$ 791,297,926
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 10,741,921	$ 10,304,445	$ 9,836,532	$ 8,451,446	$ 8,128,679
39	PREFERRED STOCK ISSUED	77,000,000	78,600,000	80,200,000	81,800,000	83,400,000
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	125,141,761	109,266,786	95,803,903	57,139,970	49,494,798
43	OTHER PAID-IN CAPITAL	60,471,290	60,340,150	60,098,455	60,009,786	59,689,835
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	-	-	-	-	-
46	RETAINED EARNINGS	185,629,629	166,738,857	150,038,033	134,920,407	119,219,175
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	2,636,789-	2,215,170-	2,950,876-	2,233,941-	2,534,530-
48	REACQUIRED CAPITAL STOCK	1,138,800-	1,715,375-	2,140,525-	3,051,525-	3,586,726-
49	TOTAL PROPRIETARY CAPITAL	455,209,012	421,317,493	390,890,522	337,036,143	313,811,231
50	BONDS (LESS BONDS REACQUIRED)	335,316,926	261,719,633	241,781,322	236,837,000	240,965,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	1,178,571	1,571,429	1,964,286	2,357,143	2,750,000
53	NET UNAMORTIZED PREMIUM + DISCOUNT	958,754-	1,079,061-	1,250,416-	860,499-	1,015,880-
54	TOTAL LONG TERM DEBT	335,536,743	262,212,001	242,495,192	238,333,644	242,699,120
55	NOTES PAYABLE	-	47,034,285	74,401,755	91,950,000	40,500,000
56	ACCOUNTS PAYABLE	67,189,663	59,111,425	64,895,721	66,655,394	60,691,661
57	PAYABLES TO ASSOCIATED COMPANIES	2,321,571	1,947,125	2,763,459	3,449,175	2,102,243
58	CUSTOMER DEPOSITS	14,872,503	12,727,277	11,596,838	10,537,565	9,519,478
59	TAXES ACCRUED	34,612,016	32,329,064	42,340,506	28,776,872	32,090,256
60	INTEREST ACCRUED	10,397,018	9,270,125	8,545,827	8,966,309	9,505,791
61	DIVIDENDS DECLARED	9,085,815	8,181,690	7,551,019	6,343,970	5,674,595
62	TAX COLLECTIONS PAYABLE	3,500,881	4,417,043	4,611,613	4,102,394	3,686,873
63	OTHER CURRENT AND ACCRUED LIABILITIES	19,356,286	26,007,246	20,968,029	21,700,274	29,399,846
64	TOTAL CURRENT AND ACCRUED LIABILITIES	161,335,753	201,025,280	237,674,767	242,481,953	193,170,743
65	CUSTOMER ADVANCES FOR CONSTRUCTION	382,000	382,000	-	-	-
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	29,768,980	25,724,404	20,701,220	16,171,834	12,285,024
68	OTHER DEFERRED CREDITS	2,962,531	5,576,143	3,203,862	1,814,598	2,768,925
	ACCUMULATED DEFERRED INCOME TAXES:					
69	ACCELERATED AMORTIZATION	-	-	-	-	-
70	LIBERALIZED DEPRECIATION	41,363,091	34,290,561	27,061,138	20,729,652	15,300,797
71	OTHER	6,214,085	15,038,179	20,414,677	22,903,499	8,985,287
72	TOTAL DEFERRED CREDITS	80,690,687	81,011,287	71,380,897	61,619,591	39,340,033
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	2,702,700	2,747,975	2,543,422	2,031,364	1,811,005
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	697,028	648,847	582,797	534,049	465,794
77	TOTAL OPERATING RESERVES	3,399,728	3,396,822	3,126,219	2,565,413	2,276,799
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,036,171,923	$ 968,962,863	$ 945,567,597	$ 882,036,734	$ 791,297,926

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

BROOKLYN UNION GAS COMPANY, THE

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 1,004,627,971	$ 1,003,715,390	$ 952,223,534	$ 850,933,706	$ 746,944,794	1
OPERATION AND MAINTENANCE EXPENSE	734,131,442	745,206,527	708,696,837	630,188,079	563,124,344	2
DEPRECIATION EXPENSE	22,229,564	21,158,701	19,737,832	17,691,514	16,508,103	3
AMORTIZATION	410,439	731,039	566,297	834,037	1,265,826	4
TAXES OTHER THAN INCOME TAXES	118,700,770	114,987,473	106,832,177	93,478,688	83,547,341	5
INCOME TAXES	43,831,553	35,076,645	30,713,281	12,976,288	13,855,369	6
PROVISION FOR DEFERRED INCOME TAXES	56,749,831	59,557,141	72,767,504	70,433,934	13,883,158	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	58,485,949-	57,686,357-	68,958,142-	51,086,867-	7,177,530-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	419,500-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	917,567,650	919,031,169	870,355,786	774,515,673	684,587,111	12
NET OPERATING REVENUES	87,060,321	84,684,221	81,867,748	76,418,033	62,357,683	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	87,060,321	84,684,221	81,867,748	76,418,033	62,357,683	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	87,060,321	84,684,221	81,867,748	76,418,033	62,357,683	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	20,186	92,397	144,886-	90,604-	79,999-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	7,195	26,370	53,853	23,238	22,642	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	357,731-	799,593	653,048-	338,922	208,702	21
INTEREST AND DIVIDEND INCOME	5,342,543	3,853,288	2,482,586	1,135,925	970,197	22
ALLOWANCE FOR CONSTRUCTION FUNDS	1,147,673	759,467	756,658	693,880	448,226	23
MISCELLANEOUS NONOPERATING INCOME	706,616	836,022	563,352	1,031,720	1,154,595	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	707,024	25
TOTAL OTHER INCOME	6,866,482	6,367,137	3,058,515	3,133,081	3,431,387	26
TOTAL INCOME	93,926,803	91,051,358	84,926,263	79,551,114	65,789,070	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	177,947	300,491	264,095	13,186	193,271	28
INCOME TAXES-NONOPERATING	769,635	312,345	39,359	282,945-	972,226-	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	1,284,031	1,215,190	681,451	605,685	529,856	32
TOTAL INCOME DEDUCTIONS	2,231,613	1,828,026	984,905	335,926	249,099-	33
INCOME BEFORE INTEREST CHARGES	91,695,190	89,223,332	83,941,358	79,215,188	66,038,169	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	28,354,120	25,544,021	23,548,045	23,602,036	17,372,043	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	493,532	485,826	462,099	410,104	233,115	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	32,110-	32,412-	33,875-	35,975-	36,517-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	42,085	54,647	34,886	109,170	1,028	38
OTHER INTEREST EXPENSE	3,139,779	7,033,570	8,894,460	8,078,210	9,245,173	39
TOTAL INTEREST CHARGES	31,997,406	33,085,652	32,905,615	32,163,545	26,814,842	40
INCOME BEFORE EXTRAORDINARY ITEMS	59,697,784	56,137,680	51,035,743	47,051,643	39,223,327	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 59,697,784	$ 56,137,680	$ 51,035,743	$ 47,051,643	$ 39,223,327	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 166,736,657	$ 150,038,033	$ 134,920,407	$ 119,219,175	$ 106,883,083	47
BALANCE TRANSFERRED FROM INCOME	60,055,515	55,338,087	51,688,791	46,712,721	39,014,625	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	7,847,925	7,943,150	8,044,661	8,071,456	5,802,712	50
-COMMON STOCK	33,353,712	30,715,085	28,376,632	22,936,806	19,918,490	51
ADJUSTMENTS TO RETAINED EARNINGS	39,094	18,772	149,872-	3,227-	957,331-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	185,629,629	166,736,657	150,038,033	134,920,407	119,219,175	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	2,636,789-	2,215,170-	2,950,876-	2,233,941-	2,534,530-	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 182,992,840	$ 164,521,487	$ 147,087,157	$ 132,686,466	$ 116,684,645	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.86	0.80	0.79	0.83	0.88	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	-	-	-	-	-	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	0.86	0.80	0.79	0.83	0.88	59
CURRENT ASSETS / BY CURRENT LIABILITIES	1.87	1.33	1.24	1.09	1.22	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	42.4	38.3	38.2	41.4	43.6	61
PREFERRED STOCK	9.7	11.4	12.6	14.2	14.9	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	24.3	25.7	25.3	20.9	19.9	63
RETAINED EARNINGS	23.4	24.3	23.6	23.4	21.4	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	37.2	31.3	31.1	32.7	35.5	65
% OF NET UTILITY PLANT	49.2	41.2	40.7	42.5	46.0	66
ACCUM PROVISION FOR DEPR.: % OF UTILITY PLT	24.3	24.0	23.5	23.0	22.8	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	73.0	74.2	74.4	74.0	75.3	69
GAS DEPRECIATION AND AMORTIZATION	2.2	2.1	2.1	2.1	2.3	70
TOTAL INCOME TAXES-GAS, OPERATING	4.1	3.6	3.6	3.7	2.6	71
OTHER TAXES-GAS, OPERATING	11.8	11.4	11.2	10.9	11.1	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	91.3	91.5	91.4	91.0	91.6	74
GAS OPERATING INCOME	8.6	8.4	8.5	8.9	8.3	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	2.5	2.6	2.6	2.5	2.6	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	3.2	3.3	3.5	3.8	3.6	77
PRETAX INTEREST COVERAGE	4.2	3.8	3.6	3.5	3.2	78
NET INCOME-PERCENT OF OPERATING REVENUES	5.9	5.5	5.3	5.5	5.2	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.7	0.7	0.8	0.9	0.7	80
TIMES EARNED	7.6	7.1	6.3	5.8	6.8	81
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	3.3	3.0	2.9	2.6	2.6	82
% OF EARNINGS AVAILABLE FOR COMMON	64.3	63.7	66.0	58.8	59.5	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	14.3	14.7	15.1	16.0	15.0	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	9.2	9.4	10.0	9.4	8.9	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

BROOKLYN UNION GAS COMPANY, THE

LINE NO		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 59,697,784	$ 56,137,680	$ 51,035,743	$ 47,051,643	$ 39,223,327
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	24,886,933	23,300,205	21,103,587	19,086,394	18,477,256
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	3,965,341	5,756,779	7,608,505	23,243,949	10,183,723
4	INTEREST CAPITALIZED	1,147,673-	759,467-	756,658-	693,880-	448,226-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	87,382,385	84,435,197	78,991,177	88,688,106	67,436,080
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	87,382,385	84,435,197	78,991,177	88,688,106	67,436,080
10	LESS DIVIDENDS: PREFERRED	7,847,925	7,943,150	8,044,661	8,071,456	5,802,712
11	COMMON	33,353,712	30,715,085	28,376,632	22,938,806	19,918,490
12	NET FUNDS FROM INTERNAL SOURCES	46,180,748	45,776,962	42,569,884	57,679,844	41,714,878
	EXTERNAL SOURCES					
13	LONG TERM DEBT	112,480,293	51,592,821	39,638,078	-	52,750,000
14	PREFERRED STOCK	-	-	-	-	20,000,000
15	COMMON STOCK	16,312,451	13,925,796	40,054,014	7,967,939	5,210,495
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	51,450,000	25,500,000
17	OTHER (NET)	-	-	-	535,201	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	128,792,744	65,518,617	79,692,092	59,953,140	103,460,495
20	OTHER SOURCES (NET)	9,596,557	19,063,646	6,863,173	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 184,570,049	$ 130,359,225	$ 129,125,149	$ 117,632,984	$ 145,175,373
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 62,691,872	$ 59,403,915	$ 56,147,609	$ 51,713,862	$ 45,706,214
25	LIQUEFIED NATURAL GAS PLANT	8,134,644	3,865,632	838,620	233,462	1,980,305
26	NON-UTILITY	345,316-	-	-	-	-
27	OTHER	-	-	-	-	-
28	TOTAL GROSS ADDITIONS	70,481,200	63,269,547	56,986,229	51,947,324	47,686,519
29	LESS INTEREST CAPITALIZED	1,147,673	759,467	756,658	693,880	448,226
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	69,333,527	62,510,080	56,229,571	51,253,444	47,238,293
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	86,310,123	5,414,857	15,074,775	4,365,476	5,909,969
32	PREFERRED STOCK	1,600,000	1,600,000	1,600,000	1,600,000	1,000,000
33	REDEMPTION OF CAPITAL STOCK	576,575-	425,150-	911,000-	-	171,302
34	NET DECREASE IN SHORT TERM DEBT	-	54,000,000	37,950,000	-	-
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	87,333,548	60,589,707	53,713,775	5,965,476	7,081,271
38	OTHER USES (NET)	27,902,974	7,259,438	19,181,803	60,414,064	90,855,809
39						
40						
41	TOTAL FUNDS APPLIED	$ 184,570,049	$ 130,359,225	$ 129,125,149	$ 117,632,984	$ 145,175,373

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

BROOKLYN UNION GAS COMPANY, THE

ITEM	1985	1984	1983	1982	1981	LINE NO
GAS OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 778,608,883	$ 786,159,228	$ 744,109,489	$ 665,707,769	$ 539,495,229	1
COMMERCIAL AND INDUSTRIAL	164,755,052	165,892,838	161,398,859	148,781,875	153,338,370	2
OTHER SALES TO PUBLIC AUTHORITIES	41,659,715	43,717,583	37,585,160	29,469,247	24,346,057	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	985,023,850	995,789,649	943,093,508	843,958,891	717,179,656	5
RESALE	16,488,778	4,329,562	5,054,143	2,993,806	25,435,680	6
TOTAL REVENUES FROM SALES OF GAS	1,001,512,428	1,000,099,211	948,147,651	846,952,697	742,615,336	7
OTHER GAS OPERATING REVENUES	3,115,543	3,616,179	4,075,882	3,981,009	4,329,458	8
TOTAL GAS OPERATING REVENUES	$ 1,004,627,971	$ 1,003,715,390	$ 952,223,534	$ 850,933,706	$ 746,944,794	9
GAS SALES (MCF)						
RESIDENTIAL	79,350,612	80,967,629	80,308,403	80,888,912	77,931,521	10
COMMERCIAL AND INDUSTRIAL	23,075,846	21,609,085	22,799,553	21,964,232	27,575,532	11
OTHER SALES TO PUBLIC AUTHORITIES	6,318,301	6,413,651	5,610,704	4,495,540	4,255,070	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	108,744,559	108,990,365	108,718,660	107,348,684	109,762,123	14
RESALE	4,904,543	1,138,031	1,551,121	4,000	2,184,475	15
TOTAL GAS SALES	113,649,102	110,128,396	110,269,781	107,352,684	111,946,598	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	1,044,299	1,038,782	1,034,619	1,030,767	1,028,748	17
COMMERCIAL AND INDUSTRIAL	31,746	31,652	31,506	31,284	31,359	18
OTHER SALES TO PUBLIC AUTHORITIES	2,890	2,825	2,704	2,487	1,813	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	1,078,935	1,073,259	1,068,829	1,064,538	1,061,920	21
RESALE	1	1	1	1	2	22
TOTAL CUSTOMERS	1,078,936	1,073,260	1,068,830	1,064,539.	1,061,922	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 745.58	$ 756.81	$ 719.21	$ 645.84	$ 524.42	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	76	78	78	78	76	25
AVERAGE REVENUE PER MCF SOLD	$ 9.81	$ 9.71	$ 9.27	$ 8.23	$ 6.92	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 5,189.79	$ 5,241.15	$ 5,122.80	$ 4,755.85	$ 4,889.77	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	727	683	724	702	879	28
AVERAGE REVENUE PER MCF SOLD	$ 7.14	$ 7.68	$ 7.08	$ 6.77	$ 5.56	29
GAS OPERATION AND MAINTENANCE EXPENSES						
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	$ 1,727,395	$ 1,683,111	$ 1,594,112	$ 1,314,356	$ 1,795,118	30
MANUFACTURED GAS	8,812,553	9,543,248	11,927,209	10,591,802	24,528,890	31
NATURAL GAS						
PRODUCTION AND GATHERING	-	-	-	-	-	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	502,714,689	525,454,322	508,191,062	450,226,311	379,778,422	35
OTHER	698,459-	524,165-	2,608,943-	1,466,965-	1,168,618-	36
TOTAL PRODUCTION EXPENSE	512,556,178	536,156,516	519,103,440	460,665,504	404,933,812	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	4,914,362	4,892,992	4,843,112	4,624,680	4,227,109	39
TOTAL NATURAL GAS STORAGE EXPENSE	4,914,362	4,892,992	4,843,112	4,624,680	4,227,109	40
TRANSMISSION EXPENSES	-	-	-	-	-	41
DISTRIBUTION EXPENSES	81,347,685	76,964,216	71,995,406	65,482,782	64,968,413	42
CUSTOMER ACCOUNTS EXPENSES	48,319,177	50,731,659	44,135,566	39,970,265	34,800,279	43
SALES EXPENSES	6,071,461	4,814,066	4,810,880	4,385,537	4,012,960	44
ADMINISTRATIVE AND GENERAL EXPENSES	80,922,599	71,647,078	63,808,433	55,059,311	50,181,771	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 734,131,442	$ 745,206,527	$ 708,696,837	$ 630,188,079	$ 563,124,344	46
GAS UTILITY PLANT						
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 11,442	$ 11,442	$ 11,442	$ 11,442	$ 11,442	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	54,006,348	53,188,760	52,816,852	52,631,229	52,256,232	50
NATURAL GAS PLANT	1,609,993	1,837,172	2,373,918	2,771,733	3,376,759	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	53,033,207	48,378,802	46,880,971	46,297,109	46,096,895	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	714,376,208	665,963,096	623,058,657	581,108,586	535,795,384	56
GENERAL PLANT	65,759,335	55,184,420	44,257,679	38,957,461	36,670,265	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	857,650	857,650	857,650	857,650	857,650	60
TOTAL GAS PLANT IN SERVICE	889,654,183	825,421,342	770,257,169	722,635,211	675,064,627	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	325,832	28,661	28,661	28,661	31,361	63
CONSTRUCTION WORK IN PROGRESS	11,155,095	10,798,573	9,365,710	4,521,989	7,622,724	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	901,135,110	836,248,576	779,651,540	727,185,861	682,718,712	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	219,239,118	200,918,570	183,953,129	167,355,487	155,972,187	67
NET GAS UTILITY PLANT	$ 681,895,992	$ 635,330,006	$ 595,698,411	$ 559,830,374	$ 526,746,525	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 825,421,342	$ 770,257,169	$ 722,635,211	$ 675,064,627	$ 625,388,303	69
ADDITIONS	70,224,884	61,768,475	52,117,658	55,046,986	53,797,877	70
RETIREMENTS	6,306,173	6,548,683	4,480,197	7,175,044	4,328,358	71
TRANSFERS AND ADJUSTMENTS	314,130	55,619-	15,503-	301,358-	206,805	72
PLANT IN SERVICE END OF YEAR	$ 889,654,183	$ 825,421,342	$ 770,257,169	$ 722,635,211	$ 675,064,627	73

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

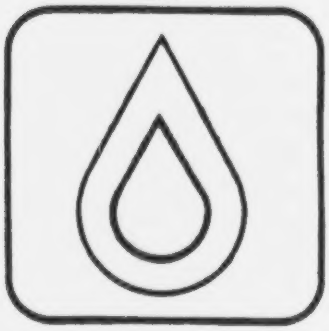
YEARS ENDED DECEMBER 31

BROOKLYN UNION GAS COMPANY THE

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,004,627,971	$ 1,003,715,390	$ 952,223,534	$ 850,933,708	$ 746,944,794
2	SALES (MCF)	113,649,102	110,128,396	110,269,781	107,352,684	111,946,598
	DOLLAR AMOUNTS					
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 502,016,230	$ 524,930,157	$ 505,582,119	$ 448,759,346	$ 378,609,804
4	WAGES AND BENEFITS	132,564,658	122,849,614	111,254,814	102,337,562	93,566,192
5	OTHER OPERATION AND MAINTENANCE EXPENSES	99,550,554	97,426,756	91,859,904	79,091,171	90,948,348
6	DEPRECIATION AND AMORTIZATION EXPENSES	22,640,003	21,889,740	20,304,129	18,525,551	17,773,929
7	INCOME TAXES - OPERATING	42,095,435	36,947,429	34,522,643	32,323,355	20,141,497
8	OTHER TAXES - OPERATING	118,700,770	114,987,473	106,832,177	93,478,688	83,547,341
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	31,997,408	33,085,652	32,659,883	31,922,200	26,667,689
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	7,697,924	7,834,166	7,965,140	7,988,919	5,753,560
11	EARNINGS AVAILABLE FOR COMMON EQUITY	47,364,991	43,764,403	41,242,725	36,506,914	29,936,434
12	TOTAL	$ 1,004,627,971	$ 1,003,715,390	$ 952,223,534	$ 850,933,708	$ 746,944,794
	PERCENT OF REVENUES					
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	50.0	52.3	53.1	52.7	50.7
14	WAGES AND BENEFITS	13.2	12.2	11.7	12.0	12.5
15	OTHER OPERATION AND MAINTENANCE EXPENSES	9.9	9.7	9.6	9.3	12.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	2.3	2.2	2.1	2.2	2.4
17	INCOME TAXES - OPERATING	4.2	3.7	3.6	3.8	2.7
18	OTHER TAXES - OPERATING	11.8	11.5	11.2	11.0	11.2
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	3.2	3.3	3.4	3.8	3.6
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.8	0.8	0.8	0.9	0.8
21	EARNINGS AVAILABLE FOR COMMON EQUITY	4.7	4.4	4.3	4.3	4.0
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER MCF					
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 4.42	$ 4.77	$ 4.58	$ 4.18	$ 3.38
24	WAGES AND BENEFITS	1.17	1.12	1.01	0.95	0.84
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.88	0.88	0.83	0.74	0.81
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.20	0.20	0.18	0.17	0.16
27	INCOME TAXES - OPERATING	0.37	0.34	0.31	0.30	0.18
28	OTHER TAXES - OPERATING	1.04	1.04	0.97	0.87	0.75
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.28	0.30	0.30	0.30	0.24
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.07	0.07	0.07	0.07	0.05
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.42	0.40	0.37	0.34	0.27
32	TOTAL	$ 8.84	$ 9.11	$ 8.64	$ 7.93	$ 6.67

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

GAS



MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 68,341,074	$ 64,204,437	$ 61,375,512	$ 59,860,042	$ 57,890,164
2	ACCUM. PROVISION FOR DEPR. AND AMORT	25,635,882	23,237,356	20,642,422	19,396,739	17,787,915
3	NET GAS UTILITY PLANT	42,705,192	40,967,081	40,733,090	40,463,303	40,102,249
4	OTHER UTILITY PLANT	985,426,660	864,588,516	759,414,997	687,253,413	626,875,278
5	ACCUM. PROVISION FOR DEPR. AND AMORT	215,242,324	202,048,456	189,382,739	176,735,913	161,479,880
6	NET OTHER UTILITY PLANT	770,184,336	662,540,060	570,032,258	510,517,500	465,395,398
7	TOTAL UTILITY PLANT	1,053,767,734	928,790,953	820,790,509	747,113,455	684,765,442
8	ACCUM. PROVISION FOR DEPR. AND AMORT	240,878,206	225,283,842	210,025,161	196,132,652	179,267,795
9	NET TOTAL UTILITY PLANT	812,889,528	703,507,111	610,765,348	550,980,803	505,497,647
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	1,409,006	565,496	565,496	565,496	549,495
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	2,153,523	2,606,723	1,606,101	1,532,882	1,280,822
13	OTHER INVESTMENTS	39,159	27,406	11,345	10,200	10,200
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	3,601,687	3,201,625	2,182,942	2,108,556	1,840,517
16	CASH	1,462,371	1,047,021	1,125,575	1,641,613	2,648,085
17	SPECIAL DEPOSITS	53,391,410	7,627,591	2,818,988	6,082,827	14,145
18	WORKING FUNDS	190,784	217,384	450,705	490,837	310,343
19	TEMPORARY CASH INVESTMENTS	14,350,000	10,517,642	-	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	44,835,751	45,130,323	45,317,238	45,816,988	40,214,080
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	29,564	-	-	-
22	MATERIALS AND SUPPLIES	23,853,891	33,129,621	29,526,117	19,076,129	26,510,683
23	GAS STORED UNDERGROUND-CURRENT	2,121,371	1,505,752	1,677,458	1,219,621	388,641
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	6,523,634	5,402,585	5,106,431	4,684,318	4,259,013
26	OTHER CURRENT AND ACCRUED ASSETS	9,761,662	6,677,169	8,257,680	7,689,392	7,857,126
27	TOTAL CURRENT AND ACCRUED ASSETS	156,490,874	113,284,653	94,280,169	88,911,903	82,182,096
28	UNAMORTIZED DEBT EXPENSE	5,674,162	4,289,477	3,226,624	3,304,654	2,493,209
29	EXTRAORDINARY PROPERTY LOSSES	15,451,877	18,655,001	20,815,721	22,270,245	-
30	PREL. SURVEY + INVESTIGATION CHARGES	79,601	74,199	2,249,189	1,139,179	548,512
31	CLEARING ACCOUNTS	320,958	306,438	508,949	507,689	264,721
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	627,381-	595,546-	139,795-	28,501-	74,549-
34	ACCUMULATED DEFERRED INCOME TAXES	1,813,800	1,033,800	175,100	165,600	809,400
35	OTHER DEFERRED DEBITS	44,642,413	36,517,144	30,318,176	18,855,621	18,066,089
36	TOTAL DEFERRED DEBITS	67,355,450	59,280,513	57,151,964	46,216,467	22,407,387
37	TOTAL ASSETS AND OTHER DEBITS	$ 1,040,337,539	$ 879,273,902	$ 764,380,443	$ 686,217,731	$ 611,927,642
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 214,464,087	$ 184,815,765	$ 156,927,223	$ 130,999,924	$ 111,164,694
39	PREFERRED STOCK ISSUED	81,030,000	81,030,000	81,030,000	81,030,000	81,030,000
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	66,780	66,780	66,780	66,780	66,780
43	OTHER PAID-IN CAPITAL	-	-	-	-	-
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	4,302,983-	4,039,712-	3,839,759-	2,677,044-	2,479,926-
46	RETAINED EARNINGS	145,374,845	125,751,423	109,936,474	99,036,804	88,497,245
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	481,864	561,857	559,234	485,995	459,955
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	437,114,363	388,188,113	344,678,952	288,941,459	258,738,748
50	BONDS (LESS BONDS REACQUIRED)	332,400,000	312,400,000	278,400,000	278,400,000	239,500,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	112,675,000	40,600,000	7,375,000	7,550,000	7,725,000
53	NET UNAMORTIZED PREMIUM + DISCOUNT	537,038-	607,982-	678,926-	749,870-	820,814-
54	TOTAL LONG TERM DEBT	444,537,962	352,392,018	285,096,074	285,200,130	246,404,186
55	NOTES PAYABLE	-	-	23,000,000	26,500,000	16,500,000
56	ACCOUNTS PAYABLE	22,258,928	26,849,501	23,079,904	14,991,513	26,668,458
57	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
58	CUSTOMER DEPOSITS	2,688,436	2,478,924	2,677,244	2,733,059	2,840,218
59	TAXES ACCRUED	5,018,646	5,194,519	3,696,425	6,248,716	6,073,163
60	INTEREST ACCRUED	8,884,918	7,321,709	6,533,494	6,626,059	5,855,453
61	DIVIDENDS DECLARED	10,456,918	9,430,658	8,123,914	6,562,556	5,664,316
62	TAX COLLECTIONS PAYABLE	652,195	692,550	665,697	916,742	902,907
63	OTHER CURRENT AND ACCRUED LIABILITIES	7,205,101	11,551,218	8,920,170	4,970,142	4,286,594
64	TOTAL CURRENT AND ACCRUED LIABILITIES	57,165,140	63,519,079	76,696,848	69,548,187	68,781,109
65	CUSTOMER ADVANCES FOR CONSTRUCTION	694,970	681,529	787,686	779,360	766,240
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	35,438,000	27,647,000	20,093,000	14,254,000	9,404,000
68	OTHER DEFERRED CREDITS	27,826,565	12,773,999	6,663,471	1,588,223	4,384,364
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	-	-	-	63,316	148,916
70	LIBERALIZED DEPRECIATION	19,774,600	16,597,100	13,686,200	10,946,100	9,193,800
71	OTHER	16,097,900	15,573,100	15,144,000	13,695,700	13,114,000
72	TOTAL DEFERRED CREDITS	99,832,036	73,273,328	56,354,337	41,328,699	37,011,320
73	PROPERTY INSURANCE RESERVE	-	166,925	104,200	-	-
74	INJURIES AND DAMAGE RESERVES	1,688,039	1,736,439	1,450,032	1,200,656	992,279
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	1,688,039	1,903,364	1,554,232	1,200,656	992,279
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,040,337,539	$ 879,273,902	$ 764,380,443	$ 686,217,731	$ 611,927,642

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 68,149,942 $	68,328,561 $	61,967,974 $	61,648,599 $	46,489,386	1
OPERATION AND MAINTENANCE EXPENSE	49,067,880	48,630,967	49,241,029	47,120,690	35,347,413	2
DEPRECIATION EXPENSE	2,984,536	3,057,428	1,847,093	1,956,263	2,066,090	3
AMORTIZATION	14	-	1,506	95,990	67,827	4
TAXES OTHER THAN INCOME TAXES	6,008,220	5,928,804	5,280,285	4,772,795	4,000,523	5
INCOME TAXES	3,454,000	3,548,000	309,000	1,665,000	1,003,000	6
PROVISION FOR DEFERRED INCOME TAXES	1,491,400	1,780,000	1,493,300	1,274,800	719,100	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	1,272,100-	1,137,300-	735,500-	803,100-	634,600-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	61,741,930	61,805,899	57,436,713	56,072,438	42,569,353	12
NET OPERATING REVENUES	6,408,012	6,522,662	4,531,261	5,576,161	3,920,033	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	6,408,012	6,522,662	4,531,261	5,576,161	3,920,033	15
OTHER UTILITY OPERATING INCOME	62,950,521	53,790,651	48,095,920	39,517,135	37,613,306	16
TOTAL UTILITY OPERATING INCOME	69,358,533	60,313,313	52,627,181	45,093,296	41,533,339	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	3,464-	67,201	9,871	3,193	43,331	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	188-	-	-	-	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	80,203-	2,623	73,239	26,040	325,555	21
INTEREST AND DIVIDEND INCOME	739,952	643,807	180,670	936,608	2,491	22
ALLOWANCE FOR CONSTRUCTION FUNDS	28,432,772	21,921,590	16,428,513	14,761,877	13,915,717	23
MISCELLANEOUS NONOPERATING INCOME	782,778-	410,310	161,361-	188,986-	180,511-	24
GAIN ON DISPOSITION OF PROPERTY	720	-	41,157	8,033	-	25
TOTAL OTHER INCOME	26,326,811	23,045,531	16,572,089	15,546,765	14,106,583	26
TOTAL INCOME	95,685,344	83,358,844	69,199,270	60,640,061	55,639,922	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	17,235	16,238	11,203	14,487	10,674	28
INCOME TAXES-NONOPERATING	6,570,300-	4,964,500-	4,605,000-	4,581,000-	2,748,000-	29
LOSS ON DISPOSITION OF PROPERTY	28,777	4,630	52,359	-	489,706	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	452,117	482,136	468,521	309,037	223,824	32
TOTAL INCOME DEDUCTIONS	6,072,171-	4,461,496-	4,072,917-	4,257,476-	2,023,796-	33
INCOME BEFORE INTEREST CHARGES	101,757,515	87,820,340	73,272,187	64,897,537	57,663,718	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	40,420,583	34,334,725	30,039,337	25,291,331	22,857,775	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	432,521	374,251	335,040	265,542	204,397	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	24,192-	24,192-	24,192-	24,192-	25,302-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	1,256,280	1,998,687	2,686,168	4,034,834	4,947,884	39
TOTAL INTEREST CHARGES	42,085,192	36,683,471	33,036,353	29,568,115	27,984,754	40
INCOME BEFORE EXTRAORDINARY ITEMS	59,672,323	51,136,869	40,235,834	35,329,422	29,678,964	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 59,672,323 $	51,136,869 $	40,235,834 $	35,329,422 $	29,678,964	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 125,751,423 $	109,935,474 $	99,035,804 $	88,497,245 $	80,020,747	47
BALANCE TRANSFERRED FROM INCOME	59,752,526	51,134,246	40,162,595	35,303,382	29,353,409	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	6,184,367	6,458,368	5,783,289	4,126,369	4,126,371	50
-COMMON STOCK	33,944,737	28,859,929	23,479,636	20,638,454	16,750,540	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	145,374,845	125,751,423	109,935,474	99,035,804	88,497,245	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	481,654	561,857	559,234	485,995	459,955	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 145,856,499 $	126,313,280 $	110,494,708 $	99,521,799 $	88,957,200	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.97	0.92	0.98	0.96	1.22	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	2.12	1.79	1.76	1.71	1.51	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	1.96	1.67	1.65	1.61	1.48	59
CURRENT ASSETS / BY CURRENT LIABILITIES	2.74	1.78	1.23	1.25	1.19	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	50.4	47.5	45.2	49.6	48.7	61
PREFERRED STOCK	9.1	10.9	12.8	10.6	12.0	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	23.8	24.4	24.4	22.4	21.6	63
RETAINED EARNINGS	16.4	16.9	17.4	17.2	17.5	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	42.1	37.9	34.7	38.1	35.9	65
% OF NET UTILITY PLANT	54.6	50.0	46.6	51.7	48.7	66
ACCUM PROVISION FOR DEPR.: % OF UTILITY PLT	22.8	24.2	25.5	26.2	26.1	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	13.5	13.0	13.0	13.8	10.4	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	71.9	71.1	79.4	76.4	76.0	69
GAS DEPRECIATION AND AMORTIZATION	4.3	4.4	2.9	3.3	4.5	70
TOTAL INCOME TAXES-GAS, OPERATING	5.3	6.1	1.7	3.4	2.3	71
OTHER TAXES-GAS, OPERATING	8.8	8.6	8.5	7.7	8.6	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	90.5	90.4	92.6	90.9	91.5	74
GAS OPERATING INCOME	9.4	9.5	7.3	9.0	8.4	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	4.3	4.7	3.0	3.4	3.6	76
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	8.3	7.0	7.0	6.6	6.3	77
PRETAX INTEREST COVERAGE	3.2	3.2	2.8	2.6	2.4	78
NET INCOME-PERCENT OF OPERATING REVENUES	11.8	9.7	8.4	7.9	6.6	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	1.2	1.2	1.2	0.9	0.9	80
TIMES EARNED	9.6	7.9	7.0	8.6	7.2	81
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	6.7	5.5	4.9	4.6	3.7	82
% OF EARNINGS AVAILABLE FOR COMMON	63.4	64.5	68.1	66.1	65.5	83
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	16.1	15.6	14.0	14.6	13.7	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.2	10.1	9.5	9.6	9.0	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

LINE NO.		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 59,672,323	$ 51,136,869	$ 40,235,834	$ 35,329,422	$ 29,678,964
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	24,249,558	22,531,271	20,524,230	16,922,780	16,107,880
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	10,712,700	10,055,900	9,934,584	7,816,700	2,349,400
4	INTEREST CAPITALIZED	26,432,772-	21,921,590-	16,428,513-	14,761,877-	13,915,717-
5	OTHER (NET)	3,819,486	5,354,460	2,998,590	1,421,379	2,602,910
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	72,021,295	67,156,910	57,264,725	46,728,404	36,823,437
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	72,021,295	67,156,910	57,264,725	46,728,404	36,823,437
10	LESS DIVIDENDS: PREFERRED	6,184,367	6,458,368	5,783,289	4,126,369	4,126,371
11	COMMON	33,944,737	28,859,929	23,479,636	20,638,454	16,750,540
12	NET FUNDS FROM INTERNAL SOURCES	31,892,191	31,838,613	28,001,800	21,963,581	15,946,526
	EXTERNAL SOURCES					
13	LONG TERM DEBT	92,250,000	78,400,000	-	44,900,000	30,000,000
14	PREFERRED STOCK	-	-	20,000,000	-	-
15	COMMON STOCK	29,648,302	27,888,542	25,927,299	19,835,230	15,618,202
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	10,000,000	-
17	OTHER (NET)	46,005,491-	4,975,387-	3,448,962	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	75,892,811	101,313,155	49,376,281	74,735,230	45,618,202
20	OTHER SOURCES (NET)	-	-	-	-	1,411,296
21						
22						
23	TOTAL FUNDS PROVIDED	$ 107,785,002	$ 133,151,768	$ 77,378,081	$ 96,698,811	$ 62,976,024
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 4,908,251	$ 3,645,673	$ 2,243,256	$ 2,971,317	$ 3,418,900
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	-	-	-
27	OTHER	125,010,622	108,622,870	82,129,250	80,969,118	52,631,223
28	TOTAL GROSS ADDITIONS	129,918,873	112,268,543	84,372,506	83,940,435	56,050,123
29	LESS INTEREST CAPITALIZED	26,432,772	21,921,590	16,428,513	14,761,877	13,915,717
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	103,486,101	90,346,953	67,943,992	69,178,558	42,134,406
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	175,000	11,175,000	175,000	6,175,000	18,175,000
32	PREFERRED STOCK	-	-	-	-	-
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	23,000,000	3,500,000	-	1,500,000
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	175,000	34,175,000	3,675,000	6,175,000	19,675,000
38	OTHER USES (NET)	4,123,901	8,629,615	5,759,069	21,345,253	1,166,618
39						
40						
41	TOTAL FUNDS APPLIED	$ 107,785,002	$ 133,151,768	$ 77,378,081	$ 96,698,811	$ 62,976,024

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
	GAS OPERATING REVENUES					
REVENUES						
RESIDENTIAL	$ 29,005,727	$ 29,075,760	$ 27,510,481	$ 27,343,384	$ 20,166,828	1
COMMERCIAL AND INDUSTRIAL	30,334,911	32,398,428	27,077,337	28,812,171	21,747,089	2
OTHER SALES TO PUBLIC AUTHORITIES	4,540,105	3,935,853	3,781,060	3,000,711	2,129,770	3
INTERDEPARTMENTAL	864,197	585,416	1,436,810	1,306,978	502,657	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	64,744,940	65,995,457	59,805,688	60,463,244	44,546,344	5
RESALE	-	-	-	-	412,932	6
TOTAL REVENUES FROM SALES OF GAS	64,744,940	65,995,457	59,805,688	60,463,244	44,959,276	7
OTHER GAS OPERATING REVENUES	3,405,202	2,333,104	2,162,286	1,185,355	1,530,110	8
TOTAL GAS OPERATING REVENUES	$ 68,149,942	$ 68,328,561	$ 61,967,974	$ 61,648,599	$ 46,489,386	9
GAS SALES (MCF)						
RESIDENTIAL	3,539,676	3,743,743	3,440,899	3,712,048	3,627,530	10
COMMERCIAL AND INDUSTRIAL	5,081,575	5,604,457	4,228,063	5,305,833	5,046,348	11
OTHER SALES TO PUBLIC AUTHORITIES	816,238	731,879	613,847	559,459	537,646	12
INTERDEPARTMENTAL	154,891	116,830	217,160	260,100	134,218	13
TOTAL SALES TO ULTIMATE CONSUMERS	9,592,381	10,196,909	8,499,969	9,837,440	9,345,742	14
RESALE	-	-	-	-	133,900	15
TOTAL GAS SALES	9,592,381	10,196,909	8,499,969	9,837,440	9,479,642	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	43,879	43,101	42,518	41,948	41,537	17
COMMERCIAL AND INDUSTRIAL	4,485	4,289	4,165	3,973	3,555	18
OTHER SALES TO PUBLIC AUTHORITIES	360	346	341	328	357	19
INTERDEPARTMENTAL	1	1	1	1	1	20
TOTAL ULTIMATE CONSUMERS	48,725	47,737	47,025	46,250	45,450	21
RESALE	-	-	-	-	1	22
TOTAL CUSTOMERS	48,725	47,737	47,025	46,250	45,451	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 661.04	$ 674.60	$ 647.03	$ 651.84	$ 485.51	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	81	87	81	88	87	25
AVERAGE REVENUE PER MCF SOLD	$ 8.19	$ 7.77	$ 8.00	$ 7.37	$ 5.56	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 6,763.84	$ 7,553.84	$ 6,501.16	$ 7,201.65	$ 6,117.32	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	1,133	1,307	1,015	1,335	1,420	28
AVERAGE REVENUE PER MCF SOLD	$ 5.97	$ 5.78	$ 6.40	$ 5.39	$ 4.31	29
	GAS OPERATION AND MAINTENANCE EXPENSES					
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	181,788	178,052	172,463	303,793	166,930	31
NATURAL GAS						
PRODUCTION AND GATHERING	-	-			-	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	57,440,839	58,532,705	52,811,317	53,176,720	42,242,738	35
OTHER	17,099,117-	18,452,358-	11,726,415-	13,820,082-	13,652,172-	36
TOTAL PRODUCTION EXPENSE	40,523,510	40,258,399	41,257,365	39,660,431	28,757,494	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	1,013	2,144	1,187	654	225	38
OTHER STORAGE EXPENSES	716	1,368	141	246	367	39
TOTAL NATURAL GAS STORAGE EXPENSE	1,729	3,512	1,328	900	592	40
TRANSMISSION EXPENSES	530,791	723,131	734,911	623,135	665,775	41
DISTRIBUTION EXPENSES	3,148,562	2,888,761	2,879,717	2,844,406	2,505,074	42
CUSTOMER ACCOUNTS EXPENSES	1,244,033	1,252,387	1,186,198	1,205,044	975,063	43
SALES EXPENSES	400,894	333,873	276,810	182,520	164,673	44
ADMINISTRATIVE AND GENERAL EXPENSES	3,218,341	3,170,904	2,904,700	2,604,254	2,278,742	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 49,067,860	$ 48,630,967	$ 49,241,029	$ 47,120,690	$ 35,347,413	46
	GAS UTILITY PLANT*					
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 3,183	$ 3,183	$ 3,183	$ 3,183	$ 3,183	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	2,816,115	1,537,020	1,436,828	1,436,828	1,406,195	50
NATURAL GAS PLANT	-	-	-	-	408,006	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	169,763	169,763	169,763	169,763	169,763	54
TRANSMISSION PLANT	17,627,253	17,566,979	17,512,545	17,465,899	17,445,231	55
DISTRIBUTION PLANT	45,251,782	42,576,656	40,996,901	39,212,943	36,177,823	56
GENERAL PLANT	-	32,758	32,758	32,758	31,259	57
GAS PLANT PURCHASED OR SOLD	-	-		-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-		-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	65,868,096	61,886,359	60,151,978	58,321,374	55,641,460	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	2,472,978	2,318,078	1,223,534	1,538,668	2,248,704	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	68,341,074	64,204,437	61,375,512	59,860,042	57,890,164	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	25,635,882	23,237,386	20,642,422	19,396,739	17,787,915	67
NET GAS UTILITY PLANT	$ 42,705,192	$ 40,967,051	$ 40,733,090	$ 40,463,303	$ 40,102,249	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 61,886,359	$ 60,151,978	$ 58,321,374	$ 55,641,460	$ 53,550,745	69
ADDITIONS	4,171,269	1,859,254	2,081,301	3,228,228	2,275,996	70
RETIREMENTS	189,532	124,873	250,697	140,308	131,477	71
TRANSFERS AND ADJUSTMENTS	-	-	-	408,006-	53,804-	72
PLANT IN SERVICE END OF YEAR	$ 65,868,096	$ 61,886,359	$ 60,151,978	$ 58,321,374	$ 55,641,460	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 68,149,942	$ 68,328,561	$ 61,987,974	$ 61,648,599	$ 46,489,386
2	SALES (MCF)	9,597,381	10,196,909	8,499,969	9,837,440	9,479,642
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 40,341,722	$ 40,080,347	$ 41,084,902	$ 39,356,638	$ 28,590,564
4	WAGES AND BENEFITS	5,866,987	5,618,288	5,432,808	5,021,327	4,454,635
5	OTHER OPERATION AND MAINTENANCE EXPENSES	2,869,151	2,932,332	2,723,319	2,742,725	2,302,214
6	DEPRECIATION AND AMORTIZATION EXPENSES	2,994,550	3,057,428	1,848,599	2,052,253	2,133,917
7	INCOME TAXES - OPERATING	3,673,300	4,190,700	1,066,800	2,126,700	1,087,500
8	OTHER TAXES - OPERATING	6,006,220	5,926,804	5,280,285	4,772,795	4,000,523
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	5,446,932	4,760,775	4,290,015	3,835,151	3,624,386
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	330,962	388,838	400,524	313,982	339,856
11	EARNINGS AVAILABLE FOR COMMON EQUITY	630,118	1,373,049	159,278-	1,427,028	44,209-
12	TOTAL	$ 68,149,942	$ 68,328,561	$ 61,987,974	$ 61,648,599	$ 46,489,386
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	59.2	58.7	66.3	63.8	61.5
14	WAGES AND BENEFITS	8.6	8.2	8.8	8.1	9.6
15	OTHER OPERATION AND MAINTENANCE EXPENSES	4.2	4.3	4.4	4.4	5.0
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.4	4.5	3.0	3.3	4.6
17	INCOME TAXES - OPERATING	5.4	6.1	1.7	3.4	2.3
18	OTHER TAXES - OPERATING	8.8	8.7	8.5	7.7	8.6
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	8.0	7.0	6.9	6.2	7.8
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.5	0.6	0.6	0.5	0.7
21	EARNINGS AVAILABLE FOR COMMON EQUITY	0.9	2.0	0.2-	2.3	-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 4.21	$ 3.93	$ 4.83	$ 4.00	$ 3.02
24	WAGES AND BENEFITS	0.61	0.55	0.64	0.51	0.47
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.30	0.29	0.32	0.28	0.24
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.31	0.30	0.22	0.21	0.23
27	INCOME TAXES - OPERATING	0.38	0.41	0.13	0.22	0.11
28	OTHER TAXES - OPERATING	0.63	0.58	0.62	0.49	0.42
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.57	0.47	0.50	0.39	0.38
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.03	0.04	0.05	0.03	0.04
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.07	0.13	0.01-	0.15	-
32	TOTAL	$ 7.10	$ 6.70	$ 7.29	$ 6.27	$ 4.90
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	5.45	6.06	6.95	7.66	8.27

GAS

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MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

COLUMBIA GAS OF NEW YORK, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 40,353,910	$ 36,959,119	$ 34,871,509	$ 33,069,801	$ 30,856,430
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	12,267,340	11,570,851	10,970,214	10,383,863	9,762,960
3	NET GAS UTILITY PLANT	28,086,570	25,388,268	23,901,295	22,685,938	21,093,470
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	40,353,910	36,959,119	34,871,509	33,069,801	30,856,430
8	ACCUM. PROVISION FOR DEPR. AND AMORT	12,267,340	11,570,851	10,970,214	10,383,863	9,762,960
9	NET TOTAL UTILITY PLANT	28,086,570	25,388,268	23,901,295	22,685,938	21,093,470
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	-	-	-	-	-
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	-	-	-	-	-
13	OTHER INVESTMENTS	-	-	-	-	-
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	-	-	-	-	-
16	CASH	388,452	553,894	264,466	258,345	529,523
17	SPECIAL DEPOSITS	-	-	-	1	1
18	WORKING FUNDS	17,750	17,750	17,750	17,750	17,750
19	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	5,479,754	5,535,632	7,272,466	4,664,409	6,752,920
21	RECEIVABLES FROM ASSOCIATED COMPANIES	26,716	47,255	33,805	35,698	125,589-
22	MATERIALS AND SUPPLIES	673,171	682,464	699,080	690,356	670,974
23	GAS STORED UNDERGROUND-CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	5,103,159	4,098,063	6,472,179	5,549,951	5,055,249
26	OTHER CURRENT AND ACCRUED ASSETS	4,534,665	4,238,254	5,523,567	3,747,698	27,219
27	TOTAL CURRENT AND ACCRUED ASSETS	16,223,667	15,173,312	20,283,313	14,964,208	12,928,049
28	UNAMORTIZED DEBT EXPENSE	-	-	-	-	-
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL. SURVEY + INVESTIGATION CHARGES	-	-	7,787	-	-
31	CLEARING ACCOUNTS	654-	16,464	19,717-	1,559	6,502-
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	7,029	16,683	9,084	8,053	-
34	ACCUMULATED DEFERRED INCOME TAXES	1,728,405	1,609,834	2,155,473	1,485,851	62,300
35	OTHER DEFERRED DEBITS	280,118	813,760-	1,140,493	683,335-	1,000,052
36	TOTAL DEFERRED DEBITS	2,014,898	829,221	3,293,120	812,128	1,055,850
37	TOTAL ASSETS AND OTHER DEBITS	$ 46,325,135	$ 41,390,801	$ 47,477,728	$ 38,462,274	$ 35,077,369
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 4,650,000	$ 4,650,000	$ 4,650,000	$ 4,250,000	$ 3,750,000
39	PREFERRED STOCK ISSUED	-	-	-	-	-
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
43	OTHER PAID-IN CAPITAL	1,275,736	1,275,736	1,275,736	1,275,736	1,275,736
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	-	-	-	-	-
46	RETAINED EARNINGS	4,954,303	5,157,571	5,313,746	4,434,387	4,413,706
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	10,880,039	11,083,307	11,239,482	9,960,123	9,439,442
50	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
51	ADVANCES FROM ASSOCIATED COMPANIES	12,300,614	10,923,521	10,686,428	10,006,668	9,543,908
52	OTHER LONG-TERM DEBT	-	-	-	-	-
53	NET UNAMORTIZED PREMIUM + DISCOUNT	-	-	-	-	-
54	TOTAL LONG TERM DEBT	12,300,614	10,923,521	10,686,428	10,006,668	9,543,908
55	NOTES PAYABLE	-	-	-	-	-
56	ACCOUNTS PAYABLE	568,865	184,542	25,222	39,895	28,082
57	PAYABLES TO ASSOCIATED COMPANIES	11,493,879	10,964,131	15,373,102	12,953,588	12,148,189
58	CUSTOMER DEPOSITS	275,755	204,310	192,349	161,891	172,945
59	TAXES ACCRUED	228,366-	539,125	84,571-	437,656-	207,435-
60	INTEREST ACCRUED	149,813	64,426	138,930	211,467	134,919
61	DIVIDENDS DECLARED	-	-	-	-	-
62	TAX COLLECTIONS PAYABLE	202,459	170,482	170,490	181,036	141,374
63	OTHER CURRENT AND ACCRUED LIABILITIES	4,090,804	2,718,663	3,726,377	798,396	1,790,424
64	TOTAL CURRENT AND ACCRUED LIABILITIES	16,553,209	14,845,679	19,541,899	13,908,615	14,208,498
65	CUSTOMER ADVANCES FOR CONSTRUCTION	167,625	59,104	73,477	75,050	92,741
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	1,307,604	1,092,996	913,999	710,653	455,122
68	OTHER DEFERRED CREDITS	456,048	340,139	302,389	179,055	2,456
	ACCUMULATED DEFERRED INCOME TAXES;					
69	ACCELERATED AMORTIZATION	-	-	-	-	-
70	LIBERALIZED DEPRECIATION	1,173,198	792,552	529,519	330,234	199,464
71	OTHER	3,397,800	2,237,388	4,186,022	3,245,863	1,054,240
72	TOTAL DEFERRED CREDITS	6,502,273	4,522,179	6,005,406	4,540,855	1,804,023
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	89,000	16,115	4,513	46,013	81,498
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	89,000	16,115	4,513	46,013	81,498
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 46,325,135	$ 41,390,801	$ 47,477,728	$ 38,462,274	$ 35,077,369

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

COLUMBIA GAS OF NEW YORK, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 80,449,435 $	90,368,371 $	92,085,818 $	88,674,697 $	70,473,919	1
OPERATION AND MAINTENANCE EXPENSE	70,353,590	79,590,805	81,676,408	79,853,893	63,472,466	2
DEPRECIATION EXPENSE	1,042,338	969,384	916,902	859,916	806,366	3
AMORTIZATION	45,740	108,305	120,712	134,358	88,913	4
TAXES OTHER THAN INCOME TAXES	5,863,181	6,116,500	6,007,642	5,478,001	4,568,933	5
INCOME TAXES	1,032,219-	2,329,713	2,706,630-	594,294-	228,202-	6
PROVISION FOR DEFERRED INCOME TAXES	1,553,834	1,141,840	2,026,793	2,443,601	417,617	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	344,419	2,513,985-	1,594,828	1,510,661-	49,263-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	78,170,883	87,742,384	89,636,657	86,664,813	69,078,830	12
NET OPERATING REVENUES	2,278,552	2,625,987	2,449,161	2,009,884	1,395,089	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	2,278,552	2,625,987	2,449,161	2,009,884	1,395,089	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	2,278,552	2,625,987	2,449,161	2,009,884	1,395,089	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	-	-	-	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	41,492	52,177	79,523	62,029	73,129	22
ALLOWANCE FOR CONSTRUCTION FUNDS	13,392	10,648	13,314	11,766	11,987	23
MISCELLANEOUS NONOPERATING INCOME	-	-	-	-	-	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	54,884	62,825	92,837	73,795	85,116	26
TOTAL INCOME	2,333,436	2,688,812	2,541,998	2,083,679	1,480,205	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	28
INCOME TAXES-NONOPERATING	86,041	161,339	32,765	9,847-	28,147-	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	19,014	10,772	13,237	13,310	8,471	32
TOTAL INCOME DEDUCTIONS	105,055	172,111	46,002	3,463	19,676-	33
INCOME BEFORE INTEREST CHARGES	2,228,381	2,516,701	2,495,996	2,080,216	1,499,881	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	-	-	-	-	-	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	-	-	-	-	-	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	1,060,480	1,168,095	1,123,368	1,281,007	737,274	38
OTHER INTEREST EXPENSE	236,569	11,120-	42,233-	231,028	163,464	39
TOTAL INTEREST CHARGES	1,297,049	1,156,975	1,081,135	1,512,035	900,738	40
INCOME BEFORE EXTRAORDINARY ITEMS	931,332	1,359,726	1,414,861	568,181	599,143	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 931,332 $	1,359,726 $	1,414,861 $	568,181 $	599,143	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 5,157,571 $	5,313,746 $	4,434,387 $	4,413,706 $	4,323,579	47
BALANCE TRANSFERRED FROM INCOME	931,332	1,359,726	1,414,861	568,181	599,143	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	50
-COMMON STOCK	1,134,600	1,515,900	535,500	547,500	427,500	51
ADJUSTMENTS TO RETAINED EARNINGS	-	1-	2-	-	81,516-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	4,954,303	5,157,571	5,313,746	4,434,387	4,413,706	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 4,954,303 $	5,157,571 $	5,313,746 $	4,434,387 $	4,413,706	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.48	0.40	0.37	0.36	0.42	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	-	-	-	-	-	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	0.48	0.40	0.37	0.36	0.42	59
CURRENT ASSETS / BY CURRENT LIABILITIES	0.98	1.02	1.04	1.08	0.91	60
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	53.0	49.6	48.7	50.1	50.2	61
PREFERRED STOCK	-	-	-	-	-	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	25.5	26.9	27.0	27.6	26.4	63
RETAINED EARNINGS	21.3	23.4	24.2	22.2	23.2	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	30.4	29.5	30.6	30.2	30.9	65
% OF NET UTILITY PLANT	43.7	43.0	44.7	44.1	45.2	66
ACCUM.PROVISION FOR DEPR.: % OF UTILITY PLT	30.3	31.3	31.4	31.3	31.6	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	87.4	88.0	88.6	90.0	90.0	69
GAS DEPRECIATION AND AMORTIZATION	1.3	1.1	1.1	1.1	1.2	70
TOTAL INCOME TAXES-GAS, OPERATING	1.0	1.0	0.9	0.3	0.2	71
OTHER TAXES-GAS, OPERATING	7.2	6.7	6.5	6.1	6.4	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	97.1	97.0	97.3	97.7	98.0	74
GAS OPERATING INCOME	2.8	2.9	2.6	2.2	1.9	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	2.6	2.9	2.9	3.0	2.9	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	1.6	1.3	1.2	1.7	1.3	77
PRETAX INTEREST COVERAGE	2.5	3.1	3.2	1.6	1.8	78
NET INCOME-PERCENT OF OPERATING REVENUES	1.1	1.5	1.5	0.6	0.8	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	80
TIMES EARNED	-	-	-	-	-	81
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	1.4	1.6	0.5	0.6	0.6	82
% OF EARNINGS AVAILABLE FOR COMMON	121.8	111.4	37.8	96.3	71.3	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	8.4	12.1	13.3	5.8	6.3	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.3	13.5	5.0	5.6	4.5	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

COLUMBIA GAS OF NEW YORK, INC.

LINE NO.		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 931,332	$ 1,359,728	$ 1,414,862	$ 568,181	$ 599,143
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	1,088,078	1,077,688	1,037,613	994,274	895,279
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	1,637,093	980,985-	673,168	1,154,373	430,718
4	INTEREST CAPITALIZED	13,392-	10,648-	13,314-	11,766-	11,987-
5	OTHER (NET)	95,537	36,000	16,900	99,800	65,784
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	3,738,648	1,501,803	3,129,229	2,804,862	1,978,937
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	3,738,648	1,501,803	3,129,229	2,804,862	1,978,937
10	LESS DIVIDENDS PREFERRED	-	-	-	-	-
11	COMMON	1,134,600	1,515,900	535,500	547,500	427,500
12	NET FUNDS FROM INTERNAL SOURCES	2,604,048	14,097-	2,593,729	2,257,362	1,551,437
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	2,000,000	800,000	1,200,000	1,000,000	2,300,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	400,000	500,000	-
16	NET INCREASE IN SHORT TERM DEBT	80,000	-	620,000	2,355,000	885,000
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	2,080,000	800,000	2,220,000	3,855,000	3,185,000
20	OTHER SOURCES (NET)	801,608	3,207,158	121,781	158,908	11,141
21						
22						
23	TOTAL FUNDS PROVIDED	$ 5,485,656	$ 3,993,061	$ 4,935,490	$ 6,271,270	$ 4,747,578
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 3,642,291	$ 2,382,867	$ 2,062,803	$ 2,412,716	$ 2,119,131
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	-	-	-
27	OTHER	144,089	181,796	190,167	174,027	97,020
28	TOTAL GROSS ADDITIONS	3,786,380	2,564,663	2,252,970	2,586,743	2,216,151
29	LESS INTEREST CAPITALIZED	13,392	10,648	13,314	11,766	11,987
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	3,772,988	2,554,015	2,239,656	2,574,977	2,204,164
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	622,907	562,907	520,240	537,240	494,240
32	PREFERRED STOCK	-	-	-	-	-
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	2,770,000	-	-	-
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	622,907	3,332,907	520,240	537,240	494,240
38	OTHER USES (NET)	1,089,761	1,893,861-	2,175,594	3,159,053	2,049,174
39						
40						
41	TOTAL FUNDS APPLIED	$ 5,485,656	$ 3,993,061	$ 4,935,490	$ 6,271,270	$ 4,747,578

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

COLUMBIA GAS OF NEW YORK, INC

ITEM	1985	1984	1983	1982	1981	LINE NO.
GAS OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 43,736,786	$ 48,751,324	$ 47,475,021	$ 41,833,349	$ 34,678,002	1
COMMERCIAL AND INDUSTRIAL	38,053,076	42,663,116	42,817,275	43,077,143	35,673,429	2
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	79,789,862	91,414,440	90,292,296	84,910,492	70,351,431	5
RESALE	-	-	-	-	-	6
TOTAL REVENUES FROM SALES OF GAS	79,789,862	91,414,440	90,292,296	84,910,492	70,351,431	7
OTHER GAS OPERATING REVENUES	659,573	1,046,069-	1,793,522	3,764,205	122,488	8
TOTAL GAS OPERATING REVENUES	$ 80,449,435	$ 90,368,371	$ 92,085,818	$ 88,674,697	$ 70,473,919	9
GAS SALES (MCF)						
RESIDENTIAL	6,947,027	7,443,767	7,105,814	7,795,155	8,236,670	10
COMMERCIAL AND INDUSTRIAL	6,379,784	7,103,757	6,964,990	8,796,501	9,442,983	11
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	13,326,811	14,547,524	14,070,804	16,591,656	17,679,653	14
RESALE	-	-	-	-	-	15
TOTAL GAS SALES	13,326,811	14,547,524	14,070,804	16,591,656	17,679,653	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	58,526	58,301	58,176	58,203	57,996	17
COMMERCIAL AND INDUSTRIAL	6,092	5,948	5,805	5,652	5,502	18
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	64,618	64,249	63,981	63,855	63,498	21
RESALE	-	-	-	-	-	22
TOTAL CUSTOMERS	64,618	64,249	63,981	63,855	63,498	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 747.31	$ 836.20	$ 816.06	$ 718.75	$ 597.94	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	119	128	122	134	142	25
AVERAGE REVENUE PER MCF SOLD	$ 6.30	$ 6.55	$ 6.68	$ 5.37	$ 4.21	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 5,918.10	$ 7,172.68	$ 7,375.93	$ 7,621.58	$ 6,483.72	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	1,047	1,194	1,200	1,556	1,716	28
AVERAGE REVENUE PER MCF SOLD	$ 5.65	$ 6.01	$ 6.15	$ 4.90	$ 3.78	29
GAS OPERATION AND MAINTENANCE EXPENSES						
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	445,340	278,376	227,194	384,757	270,351	31
NATURAL GAS						
PRODUCTION AND GATHERING	-	-	-	-	-	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	60,544,942	70,475,191	73,299,160	71,468,473	56,121,031	35
OTHER	13,489-	23,751-	41,684-	42,283-	24,873-	36
TOTAL PRODUCTION EXPENSE	60,976,793	70,729,816	73,484,670	71,790,947	56,366,509	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	-	-	-	-	-	41
DISTRIBUTION EXPENSES	4,054,447	3,682,005	3,577,529	3,561,377	3,315,157	42
CUSTOMER ACCOUNTS EXPENSES	1,894,996	1,986,204	1,729,476	1,783,909	1,301,973	43
SALES EXPENSES	549,975	478,984	354,213	425,889	336,842	44
ADMINISTRATIVE AND GENERAL EXPENSES	2,877,379	2,713,798	2,530,520	2,291,771	2,151,985	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 70,353,590	$ 79,590,805	$ 81,676,408	$ 79,853,893	$ 63,472,466	46
GAS UTILITY PLANT						
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 28,865	$ 28,865	$ 28,865	$ 28,865	$ 28,865	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	1,506,704	1,467,763	1,455,323	1,399,515	1,222,872	50
NATURAL GAS PLANT	804,431	804,431	804,431	804,431	803,574	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	35,885,763	33,171,287	31,073,365	29,382,162	27,230,313	56
GENERAL PLANT	1,361,698	1,319,748	1,343,022	1,272,903	1,244,937	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	39,587,641	36,792,094	34,705,006	32,867,876	30,530,561	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	766,449	167,025	166,503	201,925	325,869	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	40,353,910	36,959,119	34,871,509	33,069,801	30,856,430	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	12,267,340	11,570,851	10,970,214	10,383,863	9,762,960	67
NET GAS UTILITY PLANT	$ 28,086,570	$ 25,388,268	$ 23,901,295	$ 22,685,938	$ 21,093,470	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 36,792,094	$ 34,705,006	$ 32,867,876	$ 30,530,561	$ 27,793,573	69
ADDITIONS	3,053,052	2,382,342	2,098,226	2,536,660	2,908,722	70
RETIREMENTS	257,685	295,254	261,096	199,345	171,734	71
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	72
PLANT IN SERVICE END OF YEAR	$ 39,587,461	$ 36,792,094	$ 34,705,006	$ 32,867,876	$ 30,530,561	73

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

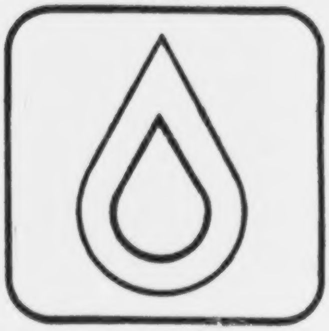
YEARS ENDED DECEMBER 31

COLUMBIA GAS OF NEW YORK, INC.

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 80,449,435	$ 90,388,371	$ 92,085,818	$ 88,674,697	$ 70,473,919
2	SALES (MCF)	13,326,811	14,547,524	14,070,804	16,591,656	17,679,653
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 60,531,453	$ 70,451,440	$ 73,257,476	$ 71,426,190	$ 56,096,158
4	WAGES AND BENEFITS	5,428,354	5,175,649	4,909,622	4,610,636	4,212,433
5	OTHER OPERATION AND MAINTENANCE EXPENSES	4,393,783	3,983,716	3,509,310	3,817,067	3,163,875
6	DEPRECIATION AND AMORTIZATION EXPENSES	1,088,078	1,077,689	1,037,614	994,274	895,279
7	INCOME TAXES - OPERATING	866,034	957,390	914,993	338,645	142,152
8	OTHER TAXES - OPERATING	5,863,181	6,116,500	6,007,642	5,478,001	4,568,933
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	1,292,180	1,152,623	1,067,821	1,500,269	888,751
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	986,372	1,473,364	1,381,340	509,615	506,338
12	TOTAL	$ 80,449,435	$ 90,388,371	$ 92,085,818	$ 88,674,697	$ 70,473,919
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	75.2	78.0	79.6	80.5	79.6
14	WAGES AND BENEFITS	6.7	5.7	5.3	5.2	6.0
15	OTHER OPERATION AND MAINTENANCE EXPENSES	5.5	4.4	3.8	4.3	4.5
16	DEPRECIATION AND AMORTIZATION EXPENSES	1.4	1.2	1.1	1.1	1.3
17	INCOME TAXES - OPERATING	1.1	1.1	1.0	0.4	0.2
18	OTHER TAXES - OPERATING	7.3	6.8	6.5	6.2	6.5
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	1.6	1.3	1.2	1.7	1.3
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	1.2	1.6	1.5	0.6	0.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 4.54	$ 4.84	$ 5.21	$ 4.30	$ 3.17
24	WAGES AND BENEFITS	0.41	0.36	0.35	0.28	0.24
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.33	0.27	0.25	0.23	0.18
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.08	0.07	0.07	0.06	0.05
27	INCOME TAXES - OPERATING	0.06	0.07	0.07	0.02	0.01
28	OTHER TAXES - OPERATING	0.44	0.42	0.43	0.33	0.26
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.10	0.08	0.08	0.09	0.05
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.07	0.10	0.10	0.03	0.03
32	TOTAL	$ 6.04	$ 6.21	$ 6.54	$ 5.34	$ 3.99

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

GAS



MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 793,242,870	$ 749,407,088	$ 712,661,079	$ 672,331,811	$ 630,080,663
2	ACCUM. PROVISION FOR DEPR. AND AMORT	161,314,247	142,064,274	124,979,540	110,276,631	98,045,479
3	NET GAS UTILITY PLANT	631,928,623	607,342,814	587,681,539	562,055,180	532,035,184
4	OTHER UTILITY PLANT	8,895,027,427	8,618,405,474	8,282,550,776	7,973,353,051	7,689,308,601
5	ACCUM. PROVISION FOR DEPR. AND AMORT	2,431,181,717	2,328,272,579	2,193,534,596	2,000,271,328	1,885,963,198
6	NET OTHER UTILITY PLANT	6,463,845,710	6,290,132,895	6,089,016,180	5,973,081,723	5,803,345,403
7	TOTAL UTILITY PLANT	9,688,270,297	9,367,812,562	8,995,211,855	8,645,684,862	8,319,389,264
8	ACCUM. PROVISION FOR DEPR. AND AMORT	2,592,495,964	2,470,336,853	2,318,514,136	2,110,547,959	1,984,008,677
9	NET TOTAL UTILITY PLANT	7,095,774,333	6,897,475,709	6,676,697,719	6,535,136,903	6,335,380,587
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	2,668,546	3,303,442	3,480,748	3,296,745	4,311,841
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	6,380,957	5,947,074	5,399,750	4,717,267	3,977,052
13	OTHER INVESTMENTS	1,192,708	106,386	106,485	646,827	623,804
14	SPECIAL FUNDS	75,728	91,502	92,297	112,625	121,956,326
15	TOTAL OTHER PROPERTY AND INVESTMENTS	10,317,939	9,448,404	9,079,280	8,773,464	130,869,023
16	CASH	14,598,691	17,014,965	8,130,718	7,708,219	11,054,823
17	SPECIAL DEPOSITS	4,497,936	11,357,007	1,619,094	1,238,206	1,387,541
18	WORKING FUNDS	1,049,352	1,334,870	1,175,492	2,724,157	349,258
19	TEMPORARY CASH INVESTMENTS	836,760,669	748,555,642	589,685,961	333,255,335	347,419,150
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	403,169,594	402,444,478	425,476,680	369,151,372	364,871,435
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
22	MATERIALS AND SUPPLIES	294,866,183	320,672,805	293,681,950	316,638,230	300,980,902
23	GAS STORED UNDERGROUND-CURRENT	18,664,999	29,067,116	35,412,612	44,552,440	26,856,410
24	LIQUEFIED NATURAL GAS IN STORAGE	5,666,737	5,343,508	4,702,104	4,352,846	3,431,175
25	PREPAYMENTS	37,412,031	47,387,933	29,498,654	23,213,271	21,862,077
26	OTHER CURRENT AND ACCRUED ASSETS	8,345,833	15,067,974	9,782,374	3,596,106	6,590,372
27	TOTAL CURRENT AND ACCRUED ASSETS	1,625,032,025	1,598,246,298	1,399,165,639	1,108,430,182	1,085,283,143
28	UNAMORTIZED DEBT EXPENSE	20,417,887	15,811,046	16,973,988	18,154,592	19,352,485
29	EXTRAORDINARY PROPERTY LOSSES	60,740,772	31,910,678	37,016,386	6,721,110	33,605,550
30	PREL. SURVEY + INVESTIGATION CHARGES	178,302	3,131,048	-	-	-
31	CLEARING ACCOUNTS	2,744,174	3,524,777	3,894,793	3,358,790	2,551,152
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	6,425,459-	5,570,402-	7,686,497-	3,698,020-	-
34	ACCUMULATED DEFERRED INCOME TAXES	55,947,000	42,473,000	39,222,000	42,856,000	32,091,302
35	OTHER DEFERRED DEBITS	129,722,771	128,544,014	104,059,792	193,490,361	125,778,649
36	TOTAL DEFERRED DEBITS	263,325,447	219,824,161	193,480,462	260,882,833	213,379,138
37	TOTAL ASSETS AND OTHER DEBITS	$ 8,994,449,744	$ 8,724,994,572	$ 8,278,423,100	$ 7,911,223,382	$ 7,764,911,891
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 604,543,535	$ 649,489,585	$ 648,761,000	$ 642,627,220	$ 634,538,050
39	PREFERRED STOCK ISSUED	655,201,027	659,338,927	663,828,727	669,325,827	683,235,427
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	748,389,113	803,518,126	802,004,911	781,889,513	762,353,898
43	OTHER PAID-IN CAPITAL	-	-	-	-	-
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	33,250,913-	35,083,426-	35,094,014-	34,871,280-	34,120,755-
46	RETAINED EARNINGS	2,632,985,161	2,593,797,871	2,287,687,133	1,993,471,354	1,755,569,193
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	326,362	266,479	312,024	281,532	314,293-
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	4,608,194,285	4,671,325,562	4,387,499,781	4,052,724,166	3,801,261,520
50	BONDS (LESS BONDS REACQUIRED)	2,407,889,500	2,482,889,500	2,522,889,500	2,567,889,500	2,689,569,500
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	256,415,036	505,326	590,795	671,700	748,285
53	NET UNAMORTIZED PREMIUM + DISCOUNT	1,160,058	1,393,918	1,627,778	1,893,384	2,186,507
54	TOTAL LONG TERM DEBT	2,665,464,594	2,484,788,744	2,525,108,073	2,570,454,584	2,692,504,292
55	NOTES PAYABLE	-	-	-	-	-
56	ACCOUNTS PAYABLE	179,180,944	182,297,540	161,295,259	178,100,417	184,577,191
57	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
58	CUSTOMER DEPOSITS	116,107,083	101,956,559	86,276,383	79,754,681	74,920,571
59	TAXES ACCRUED	207,761,157	181,170,353	178,326,081	100,938,086	140,484,897
60	INTEREST ACCRUED	56,110,827	47,650,229	47,150,760	47,643,309	47,407,534
61	DIVIDENDS DECLARED	9,474,837	9,617,785	9,697,085	9,797,291	10,018,374
62	TAX COLLECTIONS PAYABLE	24,555,821	24,558,165	22,247,282	20,290,070	21,202,480
63	OTHER CURRENT AND ACCRUED LIABILITIES	185,815,083	164,088,768	148,486,614	141,275,681	145,866,557
64	TOTAL CURRENT AND ACCRUED LIABILITIES	779,005,752	711,339,399	653,479,464	577,799,515	624,476,604
65	CUSTOMER ADVANCES FOR CONSTRUCTION	2,772,657	1,990,124	960,217	524,400	19,657
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	283,158,000	261,490,000	240,990,000	225,280,000	196,200,000
68	OTHER DEFERRED CREDITS	71,265,803	76,555,906	60,820,705	70,615,098	97,111,740
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	526,000	796,000	1,647,000	2,415,000	3,192,827
70	LIBERALIZED DEPRECIATION	510,792,000	438,357,000	350,294,000	295,471,000	253,648,000
71	OTHER	64,146,000	70,627,000	68,053,000	107,742,000	88,527,238
72	TOTAL DEFERRED CREDITS	932,660,460	849,816,030	722,764,922	702,047,498	638,699,262
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	9,124,653	7,724,837	9,570,860	8,197,619	7,970,213
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	9,124,653	7,724,837	9,570,860	8,197,619	7,970,213
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 8,994,449,744	$ 8,724,994,572	$ 8,278,423,100	$ 7,911,223,382	$ 7,764,911,891

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

CONSOLIDATED EDISON CO. OF NEW YORK, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 773,511,445	$ 763,071,285	$ 769,158,408	$ 694,197,645	$ 548,125,626	1
OPERATION AND MAINTENANCE EXPENSE	552,544,175	536,508,740	546,187,262	525,164,739	406,401,991	2
DEPRECIATION EXPENSE	31,183,555	27,832,021	24,336,804	22,423,282	18,373,966	3
AMORTIZATION	215,598	293,945	315,954	336,922	171,938	4
TAXES OTHER THAN INCOME TAXES	102,500,843	98,711,073	92,914,842	82,773,168	70,435,506	5
INCOME TAXES	16,584,000	23,824,000	33,578,000	13,656,000	1,116,000-	6
PROVISION FOR DEFERRED INCOME TAXES	36,803,000	33,647,000	33,869,000	31,727,000	25,254,000	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	25,172,000-	25,337,000-	34,551,000-	32,510,000-	14,529,000-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	714,659,171	695,479,779	696,450,862	643,571,111	502,992,401	12
NET OPERATING REVENUES	58,852,274	67,591,506	72,707,546	50,626,534	45,133,225	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	58,852,274	67,591,506	72,707,546	50,626,534	45,133,225	15
OTHER UTILITY OPERATING INCOME	656,290,938	683,373,836	656,074,208	587,040,132	549,243,133	16
TOTAL UTILITY OPERATING INCOME	715,143,212	750,965,342	728,781,754	637,666,666	594,376,358	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	4,285-	2,184-	4,954-	15,553-	5	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	298,368	277,738	243,482	316,995	304,131	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	59,883	81,191	94,379	89,758	78,178	21
INTEREST AND DIVIDEND INCOME	51,995,182	64,443,775	33,051,443	45,692,473	52,217,147	22
ALLOWANCE FOR CONSTRUCTION FUNDS	10,305,707	22,392,157	14,662,068	18,461,720	12,394,767	23
MISCELLANEOUS NONOPERATING INCOME	25,590	45,243	40,889	59,300	98,587	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	62,680,445	87,237,920	48,087,307	64,604,693	65,092,815	26
TOTAL INCOME	777,823,657	838,203,262	776,869,061	702,271,359	659,469,173	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	1,096,300	1,027,097	734,787	723,476	804,373	28
INCOME TAXES-NONOPERATING	18,860,000	26,340,000	12,210,000	18,530,000	21,230,000	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	6,013,387	6,467,062	6,433,303	4,806,321	4,810,264	32
TOTAL INCOME DEDUCTIONS	25,969,687	33,834,159	19,378,090	24,159,797	26,844,637	33
INCOME BEFORE INTEREST CHARGES	751,853,970	804,369,103	757,490,971	678,111,562	632,624,536	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	168,121,326	161,689,219	163,397,990	165,348,403	168,778,087	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	1,219,284	1,162,941	1,180,605	1,197,893	1,227,212	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	233,860-	233,860-	265,606-	293,123-	367,364-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	19,015,974	21,779,642	17,342,189	19,307,289	14,960,588	39
TOTAL INTEREST CHARGES	188,122,724	184,397,942	181,655,178	185,560,462	184,598,523	40
INCOME BEFORE EXTRAORDINARY ITEMS	563,731,246	619,971,161	575,835,793	492,551,100	448,026,013	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 563,731,246	$ 619,971,161	$ 575,835,793	$ 492,551,100	$ 448,026,013	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,593,797,871	$ 2,287,687,133	$ 1,993,471,354	$ 1,755,569,193	$ 1,535,345,504	47
BALANCE TRANSFERRED FROM INCOME	563,651,053	620,016,706	575,805,301	491,955,275	447,986,123	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	38,352,979	38,649,403	38,971,360	39,507,816	40,502,576	50
-COMMON STOCK	296,922,029	275,246,410	242,608,007	214,535,143	187,249,704	51
ADJUSTMENTS TO RETAINED EARNINGS	189,188,755-	10,155-	10,155-	10,155-	10,154-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,632,985,161	2,593,797,871	2,287,687,133	1,993,471,354	1,755,569,193	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	326,362	266,479	312,024	281,532	314,293-	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,633,311,523	$ 2,594,064,350	$ 2,287,999,157	$ 1,993,752,886	$ 1,755,254,900	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	1.00	0.96	0.90	0.94	1.10	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	1.85	1.70	1.71	1.79	1.74	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	1.73	1.60	1.60	1.67	1.67	59
CURRENT ASSETS / BY CURRENT LIABILITIES	2.09	2.25	2.14	1.91	1.74	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	36.6	34.7	36.6	38.8	41.4	61
PREFERRED STOCK	9.0	9.2	9.6	10.1	10.5	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	18.1	19.8	20.5	20.9	20.9	63
RETAINED EARNINGS	36.1	36.2	33.1	30.0	27.0	64
LONG-TERM DEBT % OF GROSS UTILITY PLANT	27.5	26.5	28.0	29.7	32.3	65
% OF NET UTILITY PLANT	37.5	36.0	37.8	39.3	42.4	66
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	26.7	26.3	25.7	24.4	23.8	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	14.0	13.2	13.9	13.6	11.2	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	71.4	70.3	71.0	75.6	74.1	69
GAS DEPRECIATION AND AMORTIZATION	4.0	3.6	3.2	3.2	3.0	70
TOTAL INCOME TAXES-GAS, OPERATING	3.6	4.2	4.2	1.8	1.7	71
OTHER TAXES-GAS, OPERATING	13.2	12.9	12.0	11.9	12.8	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	92.3	91.1	90.5	92.7	91.7	74
GAS OPERATING INCOME	7.6	8.8	9.4	7.2	8.2	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	3.9	3.7	3.4	3.3	2.6	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	3.4	3.2	3.3	3.7	3.8	77
PRETAX INTEREST COVERAGE	6.2	6.7	6.4	5.2	4.6	78
NET INCOME-PERCENT OF OPERATING REVENUES	10.2	10.7	10.4	9.6	9.1	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.6	0.6	0.7	0.7	0.8	80
TIMES EARNED	14.7	16.0	14.8	12.5	11.1	81
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	5.3	4.7	4.3	4.2	3.8	82
% OF EARNINGS AVAILABLE FOR COMMON	56.5	47.3	45.1	47.3	45.9	83
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	13.1	15.0	15.1	13.9	13.5	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	7.4	7.1	6.8	6.5	6.2	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CONSOLIDATED EDISON CO OF NEW YORK, INC

LINE NO.		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 563,731,246	$ 619,971,161	$ 575,835,793	$ 492,551,100	$ 448,026,013
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	318,841,688	280,771,956	289,848,174	278,095,698	245,932,397
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	77,820,000	110,610,000	27,990,000	62,410,000	34,040,000
4	INTEREST CAPITALIZED	10,305,707-	22,392,157-	14,662,068-	18,461,720-	12,394,767-
5	OTHER (NET)	17,008,004	-	-	-	36,735,178
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	967,095,231	988,960,960	879,011,899	814,595,078	752,338,821
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	967,095,231	988,960,960	879,011,899	814,595,078	752,338,821
10	LESS DIVIDENDS PREFERRED	38,352,979	38,649,403	38,971,360	39,507,816	40,502,576
11	COMMON	296,922,029	275,246,410	242,608,007	214,535,143	187,249,704
12	NET FUNDS FROM INTERNAL SOURCES	631,820,223	675,065,147	597,432,532	560,552,119	524,586,541
	EXTERNAL SOURCES					
13	LONG TERM DEBT	256,000,000	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	23,002,078	15,965,185	-
16	NET INCREASE IN SHORT TERM DEBT	-	-			-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	256,000,000	-	23,002,078	15,965,185	-
20	OTHER SOURCES (NET)	40,880,625	-	49,043,486	4,806,403	108,037,299
21						
22						
23	TOTAL FUNDS PROVIDED	$ 928,700,848	$ 675,065,147	$ 669,478,096	$ 581,323,707	$ 632,623,840
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 48,593,177	$ 41,839,008	$ 44,379,756	$ 47,741,648	$ 62,329,704
25	LIQUEFIED NATURAL GAS PLANT	54,392	62,714	326,825	356,392	304,005
26	NON-UTILITY	-	-	-	-	-
27	OTHER	482,026,358	435,249,701	375,047,170	397,315,160	367,506,258
28	TOTAL GROSS ADDITIONS	530,673,927	477,151,423	419,753,751	445,413,200	430,139,967
29	LESS INTEREST CAPITALIZED	10,305,707	22,392,157	14,662,068	18,461,720	12,394,767
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	520,368,220	454,759,266	405,091,683	426,951,480	417,745,200
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	75,090,291	40,085,468	45,080,905	121,756,585	75,842,792
32	PREFERRED STOCK	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000
33	REDEMPTION OF CAPITAL STOCK	289,337,811	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	366,678,102	42,335,468	47,330,905	124,006,585	78,092,792
38	OTHER USES (NET)	41,654,526	177,970,413	217,055,508	30,365,642	136,785,848
39						
40						
41	TOTAL FUNDS APPLIED	$ 928,700,848	$ 675,065,147	$ 669,478,096	$ 581,323,707	$ 632,623,840

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
		GAS OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 393,936,043	$ 401,089,903	$ 402,411,419	$ 338,902,292	$ 290,626,996	1
COMMERCIAL AND INDUSTRIAL	322,489,137	298,595,754	302,660,865	305,383,212	220,685,636	2
OTHER SALES TO PUBLIC AUTHORITIES	36,308,917	45,032,452	48,836,675	36,194,981	32,311,677	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	752,734,097	744,698,109	753,908,959	680,480,485	543,624,309	5
RESALE	-	-	-	-	-	6
TOTAL REVENUES FROM SALES OF GAS	752,734,097	744,698,109	753,908,959	680,480,485	543,624,309	7
OTHER GAS OPERATING REVENUES	20,777,348	18,373,176	15,249,449	13,717,160	4,501,317	8
TOTAL GAS OPERATING REVENUES	$ 773,511,445	$ 763,071,285	$ 769,158,408	$ 694,197,645	$ 548,125,626	9
GAS SALES (MCF)						
RESIDENTIAL	43,092,707	45,157,721	42,933,298	44,044,232	40,748,237	10
COMMERCIAL AND INDUSTRIAL	53,509,596	46,258,258	45,159,032	54,507,119	41,474,205	11
OTHER SALES TO PUBLIC AUTHORITIES	5,709,911	7,034,710	7,268,845	6,290,115	6,137,588	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	102,312,214	98,450,690	95,361,175	104,841,468	88,360,032	14
RESALE	-	-	-	-	-	15
TOTAL GAS SALES	102,312,214	98,450,690	95,361,175	104,841,468	88,360,032	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	934,783	934,075	932,439	933,394	936,376	17
COMMERCIAL AND INDUSTRIAL	84,132	82,433	81,289	80,446	79,348	18
OTHER SALES TO PUBLIC AUTHORITIES	1,359	1,286	1,270	1,193	1,351	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	1,020,274	1,017,794	1,014,998	1,015,033	1,017,075	21
RESALE	-	-	-	-	-	22
TOTAL CUSTOMERS	1,020,274	1,017,794	1,014,998	1,015,033	1,017,075	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 421.42	$ 429.38	$ 431.57	$ 363.09	$ 310.37	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	46	48	46	47	44	25
AVERAGE REVENUE PER MCF SOLD	$ 9.14	$ 8.88	$ 9.37	$ 7.69	$ 7.13	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 3,833.13	$ 3,622.28	$ 3,723.27	$ 3,798.13	$ 2,781.24	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	636	561	556	678	523	28
AVERAGE REVENUE PER MCF SOLD	$ 6.03	$ 6.45	$ 6.70	$ 5.60	$ 5.32	29
		GAS OPERATION AND MAINTENANCE EXPENSES				
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	-	-	-	-	-	31
NATURAL GAS						
PRODUCTION AND GATHERING	8,440	10,313	18,425	23,019	21,477	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	708,304,987	787,923,996	702,012,606	742,274,811	564,761,275	35
OTHER	320,433,143-	406,270,959-	303,761,720-	360,632,898-	300,400,211-	36
TOTAL PRODUCTION EXPENSE	387,880,284	381,663,350	398,269,311	381,664,332	264,382,541	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	2,562,859	2,464,079	2,421,190	2,864,982	2,093,241	39
TOTAL NATURAL GAS STORAGE EXPENSE	2,562,859	2,464,079	2,421,190	2,864,982	2,093,241	40
TRANSMISSION EXPENSES	-	-	-	-	-	41
DISTRIBUTION EXPENSES	78,843,259	70,050,719	68,981,219	66,917,449	70,876,297	42
CUSTOMER ACCOUNTS EXPENSES	32,124,355	33,150,908	30,738,766	30,604,990	30,145,478	43
SALES EXPENSES	3,030,682	3,256,394	2,941,977	3,097,278	3,164,143	44
ADMINISTRATIVE AND GENERAL EXPENSES	48,102,738	45,023,290	42,834,799	40,015,108	35,740,291	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 552,544,175	$ 536,508,740	$ 546,187,262	$ 525,164,739	$ 406,401,991	46
		GAS UTILITY PLANT*				
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	-	-	-	-	-	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	-	-	-	-	-	50
NATURAL GAS PLANT	1,562,549	1,715,597	1,959,838	2,244,896	2,464,774	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	35,314,066	35,115,770	35,025,381	34,799,182	34,476,789	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	744,693,889	699,791,740	657,319,309	621,893,015	577,713,764	56
GENERAL PLANT	-	-	-	-	-	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	1,238,998	1,238,998	1,238,998	1,238,998	1,238,998	60
TOTAL GAS PLANT IN SERVICE	782,809,502	737,862,105	695,543,526	660,178,091	615,894,325	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	10,433,368	11,544,983	17,117,553	12,155,720	14,186,338	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	793,242,870	749,407,088	712,661,079	672,331,811	630,080,663	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	161,314,247	142,064,274	124,979,540	110,276,631	98,045,479	67
NET GAS UTILITY PLANT	$ 631,928,623	$ 607,342,814	$ 587,681,539	$ 562,055,180	$ 532,035,184	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 737,862,105	$ 695,543,526	$ 660,178,091	$ 615,894,325	$ 555,369,728	69
ADDITIONS	49,760,163	47,474,284	39,744,747	50,128,658	65,336,948	70
RETIREMENTS	4,644,330	4,886,684	4,092,254	5,551,831	4,690,354	71
TRANSFERS AND ADJUSTMENTS	168,436-	269,021-	285,058-	295,061-	121,997-	72
PLANT IN SERVICE END OF YEAR	$ 782,809,502	$ 737,862,105	$ 695,543,526	$ 660,178,091	$ 615,894,325	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC.

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 773,511,445	$ 763,071,285	$ 769,158,408	$ 694,197,645	$ 548,125,626
2	SALES (MCF)	102,312,214	98,450,690	95,361,175	104,841,468	88,360,032
	DOLLAR AMOUNTS					
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 387,871,844	$ 381,653,037	$ 398,250,886	$ 381,641,913	$ 264,361,064
4	WAGES AND BENEFITS	114,287,947	110,500,517	99,965,282	97,378,068	91,432,047
5	OTHER OPERATION AND MAINTENANCE EXPENSES	50,384,384	44,355,186	47,981,094	46,144,768	50,608,885
6	DEPRECIATION AND AMORTIZATION EXPENSES	31,399,153	28,125,966	24,652,758	22,760,204	16,545,904
7	INCOME TAXES - OPERATING	28,215,000	32,134,000	32,696,000	12,873,000	9,609,000
8	OTHER TAXES - OPERATING	102,500,843	98,711,073	92,914,842	82,773,168	70,435,508
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	17,656,700	17,068,887	16,703,773	16,274,600	15,835,034
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	3,597,630	3,575,191	3,582,768	3,443,180	3,466,275
11	EARNINGS AVAILABLE FOR COMMON EQUITY	37,597,944	46,957,428	52,421,005	30,908,754	25,831,922
12	TOTAL	$ 773,511,445	$ 763,071,285	$ 769,158,408	$ 694,197,645	$ 548,125,626
	PERCENT OF REVENUES					
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	50.1	50.0	51.8	55.0	48.2
14	WAGES AND BENEFITS	14.8	14.5	13.0	14.0	16.7
15	OTHER OPERATION AND MAINTENANCE EXPENSES	6.5	5.8	6.2	6.6	9.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.1	3.7	3.2	3.3	3.0
17	INCOME TAXES - OPERATING	3.6	4.2	4.3	1.9	1.8
18	OTHER TAXES - OPERATING	13.3	12.9	12.1	11.9	12.9
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	2.3	2.2	2.2	2.3	2.9
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.5	0.5	0.5	0.5	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	4.9	6.2	6.8	4.5	4.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER MCF					
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.79	$ 3.88	$ 4.18	$ 3.64	$ 2.99
24	WAGES AND BENEFITS	1.12	1.12	1.05	0.93	1.03
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.49	0.45	0.50	0.44	0.57
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.31	0.29	0.26	0.22	0.19
27	INCOME TAXES - OPERATING	0.28	0.33	0.34	0.12	0.11
28	OTHER TAXES - OPERATING	1.00	1.00	0.97	0.79	0.80
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.17	0.17	0.18	0.16	0.18
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.04	0.04	0.04	0.03	0.04
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.37	0.48	0.55	0.29	0.29
32	TOTAL	$ 7.56	$ 7.75	$ 8.07	$ 6.62	$ 6.20
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	9.39	9.27	9.21	8.97	8.74

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

CORNING NATURAL GAS CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 8,928,097	$ 8,686,530	$ 8,383,931	$ 8,228,939	$ 7,453,861
2	ACCUM. PROVISION FOR DEPR. AND AMORT	3,373,312	3,221,679	3,070,440	2,917,114	2,559,377
3	NET GAS UTILITY PLANT	5,554,785	5,464,851	5,313,491	5,311,825	4,894,484
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM. PROVISION FOR DEPR. AND AMORT	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	8,928,097	8,686,530	8,383,931	8,228,939	7,453,861
8	ACCUM. PROVISION FOR DEPR. AND AMORT	3,373,312	3,221,679	3,070,440	2,917,114	2,559,377
9	NET TOTAL UTILITY PLANT	5,554,785	5,464,851	5,313,491	5,311,825	4,894,484
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	-	-	-	-	-
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	805,488	740,888	683,200	627,492	548,289
13	OTHER INVESTMENTS	-	-	-	-	-
14	SPECIAL FUNDS	425	425	425	425	425
15	TOTAL OTHER PROPERTY AND INVESTMENTS	805,913	741,313	683,625	627,917	548,714
16	CASH	281,855	265,080	315,308	291,263	255,902
17	SPECIAL DEPOSITS	100	200	-	300	600
18	WORKING FUNDS	2,150	2,150	2,150	2,100	2,100
19	TEMPORARY CASH INVESTMENTS	133,937	3,846	398,357	-	876,828
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	5,693,324	4,862,729	6,846,088	6,128,777	5,207,715
21	RECEIVABLES FROM ASSOCIATED COMPANIES	36,383	30,970	31,640	32,278	36,619
22	MATERIALS AND SUPPLIES	101,095	86,922	88,914	92,428	88,948
23	GAS STORED UNDERGROUND-CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	105,300	75,251	73,721	170,846	208,665
26	OTHER CURRENT AND ACCRUED ASSETS	78	-	-	-	3,102
27	TOTAL CURRENT AND ACCRUED ASSETS	6,354,222	5,327,148	7,756,178	6,717,992	6,680,479
28	UNAMORTIZED DEBT EXPENSE	22,000	25,505	29,444	33,383	37,322
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL. SURVEY + INVESTIGATION CHARGES	2,950	-	-	-	-
31	CLEARING ACCOUNTS	-	-	-	-	-
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	-	-	-	-	-
34	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
35	OTHER DEFERRED DEBITS	1,290,647	330,987	726,512	802,995	9,670-
36	TOTAL DEFERRED DEBITS	1,315,597	356,492	755,956	836,378	27,652
37	TOTAL ASSETS AND OTHER DEBITS	$ 14,030,517	$ 11,889,804	$ 14,509,250	$ 13,494,112	$ 12,151,329
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 990,870	$ 990,870	$ 990,870	$ 990,870	$ 990,870
39	PREFERRED STOCK ISSUED	-	-	-	-	-
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
43	OTHER PAID-IN CAPITAL	-	-	-	-	-
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	-	-	-	-	-
46	RETAINED EARNINGS	2,200,243	2,134,229	2,008,493	1,830,972	1,516,826
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	703,110	638,510	580,822	525,114	445,910
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	3,894,223	3,763,609	3,580,185	3,346,956	2,953,606
50	BONDS (LESS BONDS REACQUIRED)	541,000	621,000	720,000	800,000	880,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	112,648	184,067	493,761	599,760	705,041
53	NET UNAMORTIZED PREMIUM + DISCOUNT	-	-	-	-	-
54	TOTAL LONG TERM DEBT	653,648	805,067	1,213,761	1,399,760	1,585,041
55	NOTES PAYABLE	-	500,000	-	250,000	-
56	ACCOUNTS PAYABLE	6,018,063	5,278,376	7,613,686	6,609,120	5,726,614
57	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
58	CUSTOMER DEPOSITS	138,236	129,127	106,149	91,531	111,007
59	TAXES ACCRUED	114,784	210,084	733,100	345,363	93,435
60	INTEREST ACCRUED	10,458	8,941	8,526	9,718	10,081
61	DIVIDENDS DECLARED	-	-	-	-	-
62	TAX COLLECTIONS PAYABLE	13,690	12,797	13,093	12,175	10,425
63	OTHER CURRENT AND ACCRUED LIABILITIES	165,984	194,301	185,986	84,887	68,665
64	TOTAL CURRENT AND ACCRUED LIABILITIES	6,461,214	6,333,626	8,660,540	7,402,794	6,020,227
65	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	292,773	-	-
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	161,537	139,719	-	104,921	60,687
68	OTHER DEFERRED CREDITS	1,839,165	273,135	111,677	676,409	1,250,785
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	346,298	-	-	-	-
70	LIBERALIZED DEPRECIATION	630,432	283,769	219,810	352,642	124,511
71	OTHER	-	246,879	387,504	167,630	117,472
72	TOTAL DEFERRED CREDITS	2,977,432	943,502	1,011,764	1,301,602	1,553,455
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	-	-	43,000	43,000	39,000
75	PENSION AND BENEFITS RESERVE	44,000	44,000	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	44,000	44,000	43,000	43,000	39,000
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 14,030,517	$ 11,889,804	$ 14,509,250	$ 13,494,112	$ 12,151,329

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

CORNING NATURAL GAS CORPORATION

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS

ITEM	1985	1984	1983	1982	1981	LINE NO.
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 44,577,609	$ 53,995,617	$ 60,949,397	$ 52,550,829	$ 40,154,580	1
OPERATION AND MAINTENANCE EXPENSE	42,114,210	51,329,990	58,023,620	49,625,551	38,339,480	2
DEPRECIATION EXPENSE	205,100	197,412	194,010	177,927	161,269	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	1,503,400	1,741,937	1,845,264	1,560,519	1,217,506	5
INCOME TAXES	242,352-	373,111	285,568	209,864	67,858	6
PROVISION FOR DEFERRED INCOME TAXES	480,316	183,653	205,030	502,465	122,290	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	34,234	259,504-	117,988-	224,176-	7,380-	8
MISC. ADJUSTMENTS OF INCOME TAXES	9,168-	9,168-	9,168-	9,168-	9,168-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	44,085,740	53,557,431	60,426,336	51,842,982	39,891,855	12
NET OPERATING REVENUES	491,869	438,186	523,061	707,847	262,725	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	491,869	438,186	523,061	707,847	262,725	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	491,869	438,186	523,061	707,847	262,725	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	-	-	-	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	129,600	117,688	100,708	104,203	100,808	21
INTEREST AND DIVIDEND INCOME	26,625	54,750	45,687	102,045	218,496	22
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	23
MISCELLANEOUS NONOPERATING INCOME	-	-	168	-	-	24
GAIN ON DISPOSITION OF PROPERTY	-	11,853	-	-	-	25
TOTAL OTHER INCOME	156,225	184,291	146,563	206,248	319,304	26
TOTAL INCOME	648,094	622,477	669,624	914,095	582,029	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	28
INCOME TAXES-NONOPERATING	21,882-	15,726-	17,568-	18,319-	13,702-	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	7,160	3,607	5,138	5,940	6,067	32
TOTAL INCOME DEDUCTIONS	14,722-	12,119-	12,430-	12,379-	7,635-	33
INCOME BEFORE INTEREST CHARGES	662,816	634,596	682,054	926,474	589,664	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	62,171	77,292	94,760	105,267	115,746	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	3,505	3,939	3,939	3,939	3,939	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	125,667	52,862	56,828	146,475	67,421	39
TOTAL INTEREST CHARGES	191,343	134,093	155,527	255,681	187,106	40
INCOME BEFORE EXTRAORDINARY ITEMS	471,473	500,503	526,527	670,793	402,558	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 471,473	$ 500,503	$ 526,527	$ 670,793	$ 402,558	46
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 2,134,229	$ 2,008,493	$ 1,830,972	$ 1,516,826	$ 1,456,666	47
BALANCE TRANSFERRED FROM INCOME	406,873	442,815	470,819	591,590	321,750	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	50
-COMMON STOCK	340,859	317,079	293,298	277,444	261,590	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,200,243	2,134,229	2,008,493	1,830,972	1,516,826	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	703,110	638,510	580,822	525,114	445,910	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,903,353	$ 2,772,739	$ 2,589,315	$ 2,356,086	$ 1,962,736	56

SELECTED BALANCE SHEET RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	LINE NO.
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.20	0.18	0.14	0.15	0.18	57
OTHER UTILITY PLT /DOLLAR OF OTHER REVENUE	-	-	-	-	-	58
TOTAL UTILITY PLT /DOLLAR OF TOTAL REVENUE	0.20	0.16	0.14	0.15	0.18	59
CURRENT ASSETS / BY CURRENT LIABILITIES	0.98	0.84	0.90	0.91	1.11	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	14.3	17.6	25.3	29.4	34.9	61
PREFERRED STOCK	-	-	-	-	-	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	37.2	35.6	32.7	31.9	31.6	63
RETAINED EARNINGS	48.3	46.7	41.8	38.5	33.4	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	7.3	9.2	14.4	17.0	21.2	65
% OF NET UTILITY PLANT	11.7	14.7	22.8	26.3	32.3	66
ACCUM.PROVISION FOR DEPR.: % OF UTILITY PLT	37.7	37.0	38.6	35.4	34.3	67

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	LINE NO.
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	94.4	95.0	95.1	94.4	95.4	69
GAS DEPRECIATION AND AMORTIZATION	0.4	0.3	0.3	0.3	0.4	70
TOTAL INCOME TAXES-GAS, OPERATING	0.5	0.5	0.5	0.9	0.4	71
OTHER TAXES-GAS, OPERATING	3.3	3.2	3.0	2.9	3.0	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	98.8	99.1	99.1	98.6	99.3	74
GAS OPERATING INCOME	1.1	0.8	0.8	1.3	0.6	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	2.2	2.2	2.3	2.1	2.1	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	0.4	0.2	0.3	0.5	0.5	77
PRETAX INTEREST COVERAGE	4.7	6.8	6.6	5.4	4.0	78
NET INCOME-PERCENT OF OPERATING REVENUES	1.0	0.9	0.8	1.2	1.0	79
DIVIDEND APPROPRIATIONS,PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	80
TIMES EARNED	-	-	-	-	-	81
DIVIDEND APPROPRIATIONS,COMMON STOCK:						
PERCENT OF OPERATING REVENUES	0.7	0.5	0.4	0.5	0.6	82
% OF EARNINGS AVAILABLE FOR COMMON	72.2	63.3	55.7	41.3	64.9	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	12.3	13.6	15.2	21.2	13.9	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	8.9	8.6	8.4	8.8	9.0	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CORNING NATURAL GAS CORPORATION

LINE NO.		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 471,473	$ 500,503	$ 526,527	$ 670,793	$ 402,558
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	230,287	223,034	219,632	203,549	208,511
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	467,900	48,623-	93,797	322,523	137,383
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET):	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	1,169,660	674,914	839,956	1,196,865	748,452
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,169,660	674,914	839,956	1,196,865	748,452
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	340,859	317,078	293,298	277,444	261,590
12	NET FUNDS FROM INTERNAL SOURCES	828,801	357,836	546,658	919,421	486,862
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	-
20	OTHER SOURCES (NET):	1,664,859	524,431	319,794	1,622,836	389,148
21						
22						
23	TOTAL FUNDS PROVIDED	$ 2,493,660	$ 882,267	$ 866,452	$ 2,542,257	$ 876,010
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	GAS PLANT	$ 369,808	$ 391,829	$ 241,109	$ 888,975	$ 283,967
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	-	-	-
27	OTHER	-	-	-	-	-
28	TOTAL GROSS ADDITIONS	369,808	391,829	241,109	888,975	283,967
29	LESS INTEREST CAPITALIZED	-	-	-	-	-
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	369,808	391,829	241,109	888,975	283,967
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	151,419	408,695	185,999	185,281	184,592
32	PREFERRED STOCK	-	-	-	-	-
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
35	OTHER (NET):	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	151,419	408,695	185,999	185,281	184,592
38	OTHER USES (NET):	1,972,433	81,743	439,344	1,468,001	407,451
39						
40						
41	TOTAL FUNDS APPLIED	$ 2,493,660	$ 882,267	$ 866,452	$ 2,542,257	$ 876,010

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

CORNING NATURAL GAS CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
	GAS OPERATING REVENUES					
REVENUES						
RESIDENTIAL	$ 7,661,562	$ 8,180,812	$ 8,018,647	$ 7,308,420	$ 5,947,608	1
COMMERCIAL AND INDUSTRIAL	10,824,688	14,412,039	15,948,771	12,311,520	9,283,014	2
OTHER SALES TO PUBLIC AUTHORITIES	721,999	819,721	850,452	716,260	556,843	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	19,208,249	23,412,572	24,817,870	20,336,200	15,787,465	5
RESALE	25,203,928	30,537,416	36,087,760	32,173,350	24,331,716	6
TOTAL REVENUES FROM SALES OF GAS	44,412,177	53,949,988	60,905,630	52,509,550	40,119,181	7
OTHER GAS OPERATING REVENUES	165,432	45,629	43,767	41,279	35,399	8
TOTAL GAS OPERATING REVENUES	$ 44,577,609	$ 53,995,617	$ 60,949,397	$ 52,550,829	$ 40,154,580	9
GAS SALES (MCF)						
RESIDENTIAL	1,495,807	1,628,268	1,485,331	1,661,208	1,664,750	10
COMMERCIAL AND INDUSTRIAL	2,247,715	3,068,731	3,170,501	2,874,109	2,822,787	11
OTHER SALES TO PUBLIC AUTHORITIES	147,428	169,395	163,925	169,165	163,153	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	3,890,950	4,866,394	4,819,757	4,704,482	4,650,690	14
RESALE	5,707,731	6,983,672	7,650,748	7,810,171	7,850,097	15
TOTAL GAS SALES	9,598,681	11,850,066	12,470,505	12,514,653	12,500,787	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	11,011	10,943	10,922	10,845	10,751	17
COMMERCIAL AND INDUSTRIAL	796	797	794	783	763	18
OTHER SALES TO PUBLIC AUTHORITIES	105	108	111	105	97	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	11,912	11,848	11,827	11,733	11,612	21
RESALE	2	2	2	2	1	22
TOTAL CUSTOMERS	11,914	11,850	11,829	11,735	11,613	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 695.81	$ 747.58	$ 734.17	$ 673.90	$ 553.21	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	136	149	136	153	155	25
AVERAGE REVENUE PER MCF SOLD	$ 5.12	$ 5.02	$ 5.40	$ 4.40	$ 3.57	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 13,598.85	$ 18,082.86	$ 20,086.61	$ 15,723.52	$ 12,166.47	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	2,824	3,850	3,993	3,671	3,700	28
AVERAGE REVENUE PER MCF SOLD	$ 4.82	$ 4.70	$ 5.03	$ 4.28	$ 3.29	29
	GAS OPERATION AND MAINTENANCE EXPENSES					
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	-	-	-	-	-	31
NATURAL GAS						
PRODUCTION AND GATHERING	-	-	-	-	-	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	40,060,851	49,338,228	56,076,424	47,826,192	36,699,683	35
OTHER	7,803	5,581	2,233	1,224	3,244	36
TOTAL PRODUCTION EXPENSE	40,068,654	49,343,809	56,078,657	47,827,416	36,702,927	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	206,891	207,532	210,075	173,767	121,472	41
DISTRIBUTION EXPENSES	453,498	448,880	438,582	407,617	351,723	42
CUSTOMER ACCOUNTS EXPENSES	320,039	320,676	340,915	333,551	276,115	43
SALES EXPENSES	99,651	93,329	84,608	72,724	66,808	44
ADMINISTRATIVE AND GENERAL EXPENSES	965,477	915,764	870,783	810,476	820,435	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 42,114,210	$ 51,329,990	$ 58,023,620	$ 49,625,551	$ 38,339,480	46
	GAS UTILITY PLANT					
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 10,649	$ 10,649	$ 10,649	$ 10,649	$ 1,638	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	-	-	-	-	-	50
NATURAL GAS PLANT	38,858	48,792	130,591	130,591	121,428	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	2,851,182	2,837,513	2,810,853	2,797,934	2,382,081	55
DISTRIBUTION PLANT	4,599,837	4,382,347	4,169,388	4,083,358	3,837,863	56
GENERAL PLANT	1,388,261	1,370,016	1,265,015	1,218,031	1,088,596	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	8,888,787	8,649,317	8,386,496	8,240,563	7,431,606	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	39,310	37,213	2,565-	11,624-	22,255	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	8,928,097	8,686,530	8,383,931	8,228,939	7,453,861	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	3,373,312	3,221,679	3,070,440	2,917,114	2,559,377	67
NET GAS UTILITY PLANT	$ 5,554,785	$ 5,464,851	$ 5,313,491	$ 5,311,825	$ 4,894,484	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 8,649,317	$ 8,386,496	$ 8,240,563	$ 7,431,606	$ 7,154,888	69
ADDITIONS	381,319	433,850	231,880	448,384	372,813	70
RETIREMENTS	131,915	89,229	86,117	93,897	96,095	71
TRANSFERS AND ADJUSTMENTS	9,934-	81,800-	170	454,470	-	72
PLANT IN SERVICE END OF YEAR	$ 8,888,787	$ 8,649,317	$ 8,386,496	$ 8,240,563	$ 7,431,606	73

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

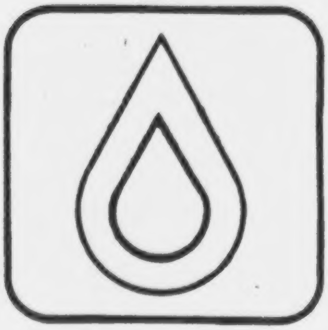
DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

CORNING NATURAL GAS CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 44,577,609	$ 53,995,617	$ 60,949,397	$ 52,550,829	$ 40,154,580
2	SALES (MCF)	9,598,681	11,850,066	12,470,505	12,514,653	12,500,787
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 40,068,654	$ 49,343,809	$ 56,078,657	$ 47,827,416	$ 36,702,927
4	WAGES AND BENEFITS	1,367,126	1,351,762	1,231,325	1,090,548	1,017,930
5	OTHER OPERATION AND MAINTENANCE EXPENSES	678,430	634,419	713,638	707,587	618,623
6	DEPRECIATION AND AMORTIZATION EXPENSES	205,100	197,412	194,010	177,927	161,269
7	INCOME TAXES - OPERATING	263,030	288,092	363,442	478,985	173,600
8	OTHER TAXES - OPERATING	1,503,400	1,741,937	1,845,264	1,560,519	1,217,506
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	191,343	134,093	155,527	255,681	187,106
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	300,526	304,093	367,534	452,166	75,619
12	TOTAL	$ 44,577,609	$ 53,995,617	$ 60,949,397	$ 52,550,829	$ 40,154,580
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	89.9	91.4	92.0	91.0	91.4
14	WAGES AND BENEFITS	3.1	2.5	2.0	2.1	2.5
15	OTHER OPERATION AND MAINTENANCE EXPENSES	1.5	1.2	1.2	1.3	1.5
16	DEPRECIATION AND AMORTIZATION EXPENSES	0.5	0.4	0.3	0.3	0.4
17	INCOME TAXES - OPERATING	0.6	0.5	0.6	0.9	0.4
18	OTHER TAXES - OPERATING	3.4	3.2	3.0	3.0	3.0
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.4	0.2	0.3	0.5	0.5
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	0.7	0.6	0.6	0.9	0.2
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 4.17	$ 4.16	$ 4.50	$ 3.82	$ 2.94
24	WAGES AND BENEFITS	0.14	0.11	0.10	0.09	0.08
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.07	0.05	0.06	0.06	0.05
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.02	0.02	0.02	0.01	0.01
27	INCOME TAXES - OPERATING	0.03	0.02	0.03	0.04	0.01
28	OTHER TAXES - OPERATING	0.16	0.15	0.15	0.12	0.10
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.02	0.01	0.01	0.02	0.01
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.03	0.03	0.03	0.04	0.01
32	TOTAL	$ 4.64	$ 4.56	$ 4.89	$ 4.20	$ 3.21

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY



GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

LONG ISLAND LIGHTING COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 397,767,512	$ 379,536,724	$ 368,911,767	$ 353,509,693	$ 334,363,007
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	112,965,804	105,720,544	99,123,215	93,054,159	87,615,653
3	NET GAS UTILITY PLANT	284,801,708	273,816,180	269,788,552	260,455,534	246,747,354
4	OTHER UTILITY PLANT	7,769,471,113	6,893,007,284	6,053,608,031	5,183,231,708	4,328,038,729
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	740,105,284	682,844,026	628,174,775	579,463,683	532,999,793
6	NET OTHER UTILITY PLANT	7,029,365,829	6,210,163,258	5,425,433,256	4,603,768,025	3,795,038,936
7	TOTAL UTILITY PLANT	8,167,238,625	7,272,544,008	6,422,519,798	5,536,741,401	4,662,401,736
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	853,071,088	788,564,570	727,297,990	672,517,842	620,615,446
9	NET TOTAL UTILITY PLANT	7,314,167,537	6,483,979,438	5,695,221,808	4,864,223,559	4,041,786,290
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	1,886,950	2,810,569	2,815,520	2,823,013	2,863,678
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	519,522	569,669	636,925	608,056	547,010
13	OTHER INVESTMENTS	65,941,156	65,199,516	124,070,972	59,428,449	71,926,494
14	SPECIAL FUNDS	59,212	59,212	59,212	59,212	64,211
15	TOTAL OTHER PROPERTY AND INVESTMENTS	68,405,840	68,638,968	127,582,629	62,918,730	75,401,393
16	CASH	11,829,970	9,933,849	3,146,597	8,671,381	9,858,437
17	SPECIAL DEPOSITS	74,863,124	61,899,894	3,557,160	8,307,719	601,801
18	WORKING FUNDS	197,580	171,487	154,187	166,575	164,925
19	TEMPORARY CASH INVESTMENTS	3,300,000	21,600,000	272,073,860	18,200,000	42,200,000
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	177,601,513	183,446,914	168,028,746	149,765,401	149,241,024
21	RECEIVABLES FROM ASSOCIATED COMPANIES	1,838-	2,130-	2,572-	3,120	2,266
22	MATERIALS AND SUPPLIES	71,197,194	77,368,452	71,786,226	103,193,616	96,397,365
23	GAS STORED UNDERGROUND-CURRENT	37,170,628	41,959,894	42,404,131	45,209,692	34,785,206
24	LIQUEFIED NATURAL GAS IN STORAGE	2,257,044	1,755,186	1,545,198	1,735,002	1,360,545
25	PREPAYMENTS	12,047,416	2,014,517	1,060,487	1,016,606	1,317,582
26	OTHER CURRENT AND ACCRUED ASSETS	23,987,547	27,254,647	23,248,778	24,930,582	25,929,233
27	TOTAL CURRENT AND ACCRUED ASSETS	414,450,178	427,402,710	587,002,798	361,219,694	361,858,384
28	UNAMORTIZED DEBT EXPENSE	31,833,338	31,852,357	18,603,746	17,446,019	15,100,799
29	EXTRAORDINARY PROPERTY LOSSES	25,537,410	42,512,850	-	474,412	991,953
30	PREL. SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
31	CLEARING ACCOUNTS	-	-	-	-	-
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	15,062,718-	11,865,267-	2,495,654-	1,426,027	1,673,639
34	ACCUMULATED DEFERRED INCOME TAXES	26,285,692	26,295,356	9,825,413	8,727,787	7,858,185
35	OTHER DEFERRED DEBITS	88,877,333	32,120,027	13,732,361	33,288,383	16,698,913
36	TOTAL DEFERRED DEBITS	157,471,055	122,915,323	39,665,866	61,362,628	42,323,489
37	TOTAL ASSETS AND OTHER DEBITS	$ 7,954,494,610	$ 7,102,936,439	$ 6,449,473,101	$ 5,349,724,611	$ 4,521,369,556
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 555,294,495	$ 551,060,780	$ 520,600,360	$ 502,864,435	$ 406,852,985
39	PREFERRED STOCK ISSUED	754,868,000	754,868,800	799,168,600	646,720,300	584,333,000
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	996,986,474	996,016,528	962,892,136	919,776,520	723,259,670
43	OTHER PAID-IN CAPITAL	3,637,299	3,637,299	1,333,416	1,064,427	512,793
44	INSTALLMENTS REC'D ON CAPITAL STOCK	107,481	342,890	337,245	443,061	467,871
45	CAPITAL STOCK EXPENSE	56,116,102-	56,103,001-	56,278,151-	50,334,877-	42,107,325-
46	RETAINED EARNINGS	1,480,471,857	956,192,008	579,961,235	501,680,906	439,209,440
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	172,471	164,293	153,997	125,128	76,082
48	REACQUIRED CAPITAL STOCK	7,653,963-	505,284-	1,771,600-	-	568,980-
49	TOTAL PROPRIETARY CAPITAL	3,727,768,012	3,205,674,313	2,806,397,238	2,522,339,900	2,112,035,536
50	BONDS (LESS BONDS REACQUIRED)	2,141,000,000	1,837,500,000	1,716,000,000	1,643,000,000	1,515,000,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	1,292,095,003	1,296,104,661	1,345,151,764	665,164,241	502,320,084
53	NET UNAMORTIZED PREMIUM + DISCOUNT	9,414,094-	9,658,157-	8,197,924-	5,604,200-	2,348,965-
54	TOTAL LONG TERM DEBT	3,423,680,909	3,123,946,504	3,052,953,840	2,302,560,041	2,014,971,119
55	NOTES PAYABLE	-	-	-	-	-
56	ACCOUNTS PAYABLE	102,166,095	120,943,807	111,937,957	147,674,248	122,486,408
57	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
58	CUSTOMER DEPOSITS	14,013,590	12,761,596	12,230,663	10,865,230	9,768,577
59	TAXES ACCRUED	20,100,409	124,131,381	54,620,653	56,665,537	28,525,609
60	INTEREST ACCRUED	59,618,325	59,579,666	61,412,898	44,725,931	40,216,141
61	DIVIDENDS DECLARED	-	-	67,488,118	60,428,695	46,103,619
62	TAX COLLECTIONS PAYABLE	4,174,097	4,594,247	4,470,561	3,934,716	4,137,189
63	OTHER CURRENT AND ACCRUED LIABILITIES	45,267,803	39,051,309	23,817,666	23,821,444	26,306,500
64	TOTAL CURRENT AND ACCRUED LIABILITIES	245,340,319	361,062,006	335,978,516	348,115,801	277,544,043
65	CUSTOMER ADVANCES FOR CONSTRUCTION	4,428,264	3,364,718	3,021,885	2,619,722	2,162,140
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	289,045,446	243,906,530	143,790,116	90,795,116	59,036,116
68	OTHER DEFERRED CREDITS	183,838,163	106,482,867	71,461,297	47,454,081	3,582,604-
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	1,313,530	1,744,440	2,175,420	2,606,400	3,037,380
70	LIBERALIZED DEPRECIATION	39,516,513	26,936,127	20,908,819	17,393,431	15,969,913
71	OTHER	30,229,919	10,821,005	6,199,517	9,991,087	36,263,460
72	TOTAL DEFERRED CREDITS	548,371,835	393,255,687	247,557,054	170,859,817	112,886,405
73	PROPERTY INSURANCE RESERVE	-	-	925,926	925,926	500,000
74	INJURIES AND DAMAGE RESERVES	8,456,239	7,121,867	6,437,577	7,336,675	5,465,692
75	PENSION AND BENEFITS RESERVE	2,097,539	1,679,971	1,232,996	720,000	-
76	MISCELLANEOUS OPERATING RESERVES	1,220,243-	10,196,091	2,010,046-	3,133,549-	2,033,239-
77	TOTAL OPERATING RESERVES	9,333,535	18,997,929	6,586,453	5,849,052	3,932,453
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 7,954,494,610	$ 7,102,936,439	$ 6,449,473,101	$ 5,349,724,611	$ 4,521,369,556

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

LONG ISLAND LIGHTING COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 438,420,039	$ 483,835,248	$ 447,198,635	$ 389,684,297	$ 327,070,018	1
OPERATION AND MAINTENANCE EXPENSE	321,640,210	386,210,627	361,553,528	310,559,543	259,851,378	2
DEPRECIATION EXPENSE	8,158,905	7,910,709	7,619,556	7,205,910	6,696,302	3
AMORTIZATION	72,626	99,796	616,246	706,995	777,513	4
TAXES OTHER THAN INCOME TAXES	46,678,329	42,163,952	39,362,375	34,144,039	31,443,991	5
INCOME TAXES	9,223,864	20,002,830	14,474,329	5,080,261	1,993,401	6
PROVISION FOR DEFERRED INCOME TAXES	2,107,164	4,208,628	3,589,444-	5,602,454	4,607,938	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	9,314,757	9,215,316-	1,820,127-	749,458-	505,856-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	397,195,855	451,381,226	418,216,463	362,549,744	304,865,265	12
NET OPERATING REVENUES	41,224,184	32,454,022	28,982,172	27,134,553	22,204,753	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	41,224,184	32,454,022	28,982,172	27,134,553	22,204,753	15
OTHER UTILITY OPERATING INCOME	346,915,754	281,405,645	240,565,653	220,641,312	205,831,504	16
TOTAL UTILITY OPERATING INCOME	388,139,938	313,859,667	269,547,825	247,775,865	228,036,257	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	38,691-	81,143	119,210-	191,842-	99,254-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	67,238	1,909-	14,986-	31,375-	20,985-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	66,504	68,621	87,194	84,041	15,536-	21
INTEREST AND DIVIDEND INCOME	2,414,817	20,993,947	12,892,725	6,575,347	5,400,138	22
ALLOWANCE FOR CONSTRUCTION FUNDS	378,239,590	310,120,981	284,841,162	201,376,733	148,006,187	23
MISCELLANEOUS NONOPERATING INCOME	39,768-	39,938	69,658-	71,663-	53,313-	24
GAIN ON DISPOSITION OF PROPERTY	13,120	-	22,567	289,493	123,673	25
TOTAL OTHER INCOME	380,722,810	331,222,845	297,639,794	208,030,734	153,340,910	26
TOTAL INCOME	768,862,748	645,082,512	567,187,619	455,806,599	381,377,167	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	353,495	3,758,779-	148,331-	88,725-	371,989-	28
INCOME TAXES-NONOPERATING	85,049,531-	81,003,124-	31,511,016-	39,915,045-	26,579,269-	29
LOSS ON DISPOSITION OF PROPERTY	6,486	-	54	8,977	-	30
MISCELLANEOUS AMORTIZATION	-	599,289	1,177,407	1,177,407	1,177,407	31
MISCELLANEOUS INCOME DEDUCTIONS	2,727,274	13,494,787	3,283,747	2,869,185	942,876	32
TOTAL INCOME DEDUCTIONS	81,962,277-	70,667,827-	27,198,139-	35,948,201-	24,830,975-	33
INCOME BEFORE INTEREST CHARGES	850,825,025	715,750,339	594,385,758	491,754,800	406,208,142	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	310,975,697	275,978,832	214,952,213	170,574,406	134,173,882	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	11,257,645	5,825,519	2,126,276	1,805,826	1,367,622	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	115,692-	127,038-	129,173-	131,298-	131,813-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	4,419,348	6,285,120	12,462,783	10,112,284	23,065,900	39
TOTAL INTEREST CHARGES	326,536,998	287,962,433	229,412,099	182,361,218	158,475,591	40
INCOME BEFORE EXTRAORDINARY ITEMS	524,288,027	427,787,906	364,973,659	309,393,582	247,732,551	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-		-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-		-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-		-	45
NET INCOME	$ 524,288,027	$ 427,787,906	$ 364,973,659	$ 309,393,582	$ 247,732,551	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 956,192,008	$ 579,961,235	$ 501,680,906	$ 439,209,440	$ 390,986,099	47
BALANCE TRANSFERRED FROM INCOME	524,279,849	427,777,810	364,944,790	309,344,537	247,783,081	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	-	51,545,380	78,998,038	60,008,969	49,288,212	50
-COMMON STOCK	-	258	207,628,164	186,864,102	150,270,330	51
ADJUSTMENTS TO RETAINED EARNINGS	-	1,199-	38,259-	-	1,198-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,480,471,857	956,192,008	579,961,235	501,680,906	439,209,440	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	172,471	164,293	153,997	125,128	76,082	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 1,480,644,328	$ 956,356,301	$ 580,115,232	$ 501,806,034	$ 439,285,522	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.89	0.77	0.81	0.88	0.99	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	4.37	4.01	3.91	3.60	2.89	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	3.65	3.26	3.17	2.98	2.53	59
CURRENT ASSETS / BY CURRENT LIABILITIES	1.69	1.18	1.75	1.04	1.30	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	47.8	49.3	52.1	47.7	48.8	61
PREFERRED STOCK	10.5	11.9	13.6	13.4	14.1	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	20.8	23.6	24.3	28.4	26.3	63
RETAINED EARNINGS	20.7	15.1	9.8	10.3	10.6	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	41.9	42.9	47.5	41.5	43.2	65
% OF NET UTILITY PLANT	46.8	48.1	53.6	47.3	49.8	66
ACCUM PROVISION FOR DEPR.: % OF UTILITY PLT	10.4	10.8	11.3	12.1	13.3	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	20.7	23.0	23.7	22.7	18.8	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	73.3	79.8	80.8	79.6	79.4	69
GAS DEPRECIATION AND AMORTIZATION	1.8	1.6	1.8	2.0	2.2	70
TOTAL INCOME TAXES-GAS, OPERATING	4.7	3.0	2.0	2.5	1.8	71
OTHER TAXES-GAS, OPERATING	10.6	8.7	8.8	8.7	9.6	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	90.5	93.2	93.5	93.0	93.2	74
GAS OPERATING INCOME	9.4	6.7	6.4	6.9	6.7	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	2.0	2.1	2.2	2.2	2.2	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	15.4	13.7	12.2	10.7	9.2	77
PRETAX INTEREST COVERAGE *	2.8	2.4	2.5	2.4	2.3	78
NET INCOME-PERCENT OF OPERATING REVENUES	24.7	20.3	19.3	18.0	14.3	79
DIVIDEND APPROPRIATIONS,PREFERRED STOCK **						
PERCENT OF OPERATING REVENUES	3.9	4.1	4.1	3.5	2.8	80
TIMES EARNED	6.3	4.9	4.6	5.2	5.0	81
DIVIDEND APPROPRIATIONS,COMMON STOCK:						
PERCENT OF OPERATING REVENUES	-	-	11.0	10.9	8.6	82
% OF EARNINGS AVAILABLE FOR COMMON	-	-	72.6	74.9	75.7	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	16.2**	15.2**	14.7	14.6	13.9	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	10.6	10.9	10.5	85

*LONG ISLAND LIGHTING COMPANY INCLUDES INTEREST ON TRUST OBLIGATIONS

**CALCULATION ASSUMES LONG ISLAND LIGHTING COMPANY'S PREFERRED DIVIDENDS ARE ACCRUED

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

LONG ISLAND LIGHTING COMPANY

LINE NO		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 524,288,027	$ 427,787,905	$ 364,973,659	$ 309,393,582	$ 247,732,550
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	83,664,214	71,390,748	64,477,554	52,628,005	61,053,711
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	153,530,738	101,719,289	65,019,864	48,052,657	59,179,814
4	INTEREST CAPITALIZED	378,239,591-	310,120,980-	284,841,162-	201,376,733-	148,006,188-
5	OTHER (NET)	28,649,645	24,726,099	13,166,782	13,608,107	7,296,030
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	411,893,033	315,503,081	222,798,697	232,305,619	227,255,917
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	411,893,033	315,503,081	222,796,697	232,305,619	227,255,917
10	LESS DIVIDENDS PREFERRED	-	51,545,379	78,998,037	60,008,969	49,288,202
11	COMMON	-	258	207,628,164	186,864,102	150,270,340
12	NET FUNDS FROM INTERNAL SOURCES	411,893,033	263,957,424	63,829,504-	14,567,452-	27,697,375
	EXTERNAL SOURCES					
13	LONG TERM DEBT	503,729,554	264,500,000	685,000,000	217,200,000	300,000,000
14	PREFERRED STOCK	-	-	171,768,990	76,120,614	65,398,645
15	COMMON STOCK	2,180,427-	63,584,811	54,351,541	292,528,300	161,409,416
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	54,292,006-	84,990,491-	175,039,568	145,692,004	87,893,715
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	447,257,121	243,094,320	1,086,160,099	731,540,918	614,701,776
20	OTHER SOURCES (NET):	1,204,313	291,479,720	37,755,964	96,271,606	35,933,616
21						
22						
23	TOTAL FUNDS PROVIDED	$ 860,354,467	$ 798,531,464	$ 1,060,086,559	$ 813,245,072	$ 678,332,767
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 21,200,071	$ 12,742,450	$ 18,557,021	$ 22,388,672	$ 23,627,079
25	LIQUEFIED NATURAL GAS PLANT	548,873	316,727	390,164	231,072	138,969
26	NON-UTILITY	-	-	-	-	-
27	OTHER	879,434,506	907,994,337	880,729,522	865,943,509	566,044,182
28	TOTAL GROSS ADDITIONS	901,183,450	921,053,514	899,676,707	888,561,253	589,810,230
29	LESS INTEREST CAPITALIZED	378,239,591	310,120,980	284,841,162	201,376,733	148,006,188
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	522,943,859	610,932,534	614,835,545	687,184,520	441,804,042
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	149,947,206	107,056,611	107,052,046	72,047,847	60,043,987
32	PREFERRED STOCK	800	40,729,602	14,323,300	12,612,700	9,117,230
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	142,221,297
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	149,948,006	147,786,213	121,375,346	84,660,547	211,382,514
38	OTHER USES (NET)	187,462,602	39,812,717	323,875,668	41,400,005	25,148,211
39						
40						
41	TOTAL FUNDS APPLIED	$ 860,354,467	$ 798,531,464	$ 1,060,086,559	$ 813,245,072	$ 678,332,767

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

LONG ISLAND LIGHTING COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
GAS OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 225,995,049	$ 230,950,887	$ 222,898,490	$ 193,588,324	$ 162,434,808	1
COMMERCIAL AND INDUSTRIAL	126,756,742	127,116,989	126,829,349	117,330,998	97,544,697	2
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	30,876	3
INTERDEPARTMENTAL	82,742,339	123,560,918	95,284,658	76,682,108	64,957,014	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	435,494,130	481,628,794	445,010,497	387,601,430	324,987,395	5
RESALE	-	-	-	-	-	6
TOTAL REVENUES FROM SALES OF GAS	435,494,130	481,628,794	445,010,497	387,601,430	324,987,395	7
OTHER GAS OPERATING REVENUES	2,925,909	2,206,455	2,188,138	2,082,867	2,102,623	8
TOTAL GAS OPERATING REVENUES	$ 438,420,039	$ 483,835,249	$ 447,198,635	$ 389,684,297	$ 327,070,018	9
GAS SALES (MCF)						
RESIDENTIAL	28,929,719	30,186,846	28,519,898	29,786,541	29,318,190	10
COMMERCIAL AND INDUSTRIAL	19,032,617	19,025,393	18,252,638	19,789,153	19,034,686	11
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	9,219	12
INTERDEPARTMENTAL	19,350,089	26,963,001	21,929,212	18,498,289	15,572,792	13
TOTAL SALES TO ULTIMATE CONSUMERS	67,312,425	76,175,241	68,701,749	68,073,984	63,934,888	14
RESALE	-	-	-	-	-	15
TOTAL GAS SALES	67,312,425	76,175,241	68,701,749	68,073,984	63,934,888	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	371,187	369,537	368,217	365,902	363,429	17
COMMERCIAL AND INDUSTRIAL	33,162	32,452	32,226	32,028	31,722	18
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	43	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	404,349	401,989	400,443	397,930	395,194	21
RESALE	-	-	-	-	-	22
TOTAL CUSTOMERS	404,349	401,989	400,443	397,930	395,194	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 608.84	$ 624.97	$ 605.34	$ 529.07	$ 446.95	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	78	82	77	81	81	25
AVERAGE REVENUE PER MCF SOLD	$ 7.81	$ 7.65	$ 7.82	$ 6.50	$ 5.54	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 3,822.35	$ 3,917.08	$ 3,935.62	$ 3,663.39	$ 3,074.99	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	574	586	566	618	600	28
AVERAGE REVENUE PER MCF SOLD	$ 6.66	$ 6.68	$ 6.95	$ 5.93	$ 5.12	29
GAS OPERATION AND MAINTENANCE EXPENSES						
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	$ 144,399	$ 165,470	$ 215,919	$ 209,368	$ 174,156	30
MANUFACTURED GAS	805,287	621,542	610,853	1,061,149	656,294	31
NATURAL GAS						
PRODUCTION AND GATHERING	7,606	7,917	16,135	5,902	25,627	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	277,382,554	313,383,544	299,312,268	265,327,569	215,784,740	35
OTHER	4,704,045	806,730	3,785,961	9,744,624-	7,240,887-	36
TOTAL PRODUCTION EXPENSE	283,043,891	314,985,203	303,941,142	256,859,364	209,399,930	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	2,149,712	2,028,087	1,776,160	1,734,037	1,509,442	39
TOTAL NATURAL GAS STORAGE EXPENSE	2,149,712	2,028,087	1,776,160	1,734,037	1,509,442	40
TRANSMISSION EXPENSES	4,400,631	4,264,249	4,090,308	3,861,130	3,933,724	41
DISTRIBUTION EXPENSES	30,123,883	29,408,888	30,462,680	28,720,632	27,633,363	42
CUSTOMER ACCOUNTS EXPENSES	7,578,900	7,242,220	8,366,774	7,578,217	6,937,606	43
SALES EXPENSES	769,096	1,078,795	864,531	1,205,830	1,651,322	44
ADMINISTRATIVE AND GENERAL EXPENSES	6,425,906-	27,223,205	12,051,933	10,600,333	8,785,391	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 321,640,210	$ 386,210,627	$ 361,553,528	$ 310,559,543	$ 259,851,378	46
GAS UTILITY PLANT*						
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	-	-	-	-	-	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	5,507,086	5,453,216	5,438,106	5,290,939	5,485,029	50
NATURAL GAS PLANT	685,086	743,886	824,614	939,393	1,097,791	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	12,697,753	12,594,543	12,544,404	12,490,287	12,464,802	54
TRANSMISSION PLANT	61,461,111	58,277,927	56,231,624	52,042,364	50,316,915	55
DISTRIBUTION PLANT	290,208,827	278,996,494	272,716,778	257,809,729	239,324,725	56
GENERAL PLANT	12,885,244	11,711,733	11,563,690	11,809,592	10,090,054	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	754,383	754,383	754,383	754,383	754,383	60
TOTAL GAS PLANT IN SERVICE	384,199,490	368,532,182	360,173,599	341,136,687	319,533,699	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	13,568,023	11,004,542	8,738,168	12,373,006	14,829,308	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	397,767,512	379,536,724	368,911,767	353,509,693	334,363,007	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	112,965,804	105,720,544	99,123,215	93,054,159	87,615,653	67
NET GAS UTILITY PLANT	$ 284,801,708	$ 273,816,180	$ 269,788,552	$ 260,455,534	$ 246,747,354	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 368,532,182	$ 360,173,599	$ 341,136,687	$ 319,533,702	$ 296,603,675	69
ADDITIONS	16,941,760	10,007,082	20,978,525	23,393,241	24,020,649	70
RETIREMENTS	1,274,452	1,655,729	2,086,829	1,665,040	952,048	71
TRANSFERS AND ADJUSTMENTS	-	7,230	125,216	125,216-	138,577-	72
PLANT IN SERVICE END OF YEAR	$ 384,199,489	$ 368,532,182	$ 360,173,599	$ 341,136,687	$ 319,533,699	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

LONG ISLAND LIGHTING COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 438,420,039	$ 483,835,248	$ 447,198,635	$ 389,684,297	$ 327,070,018
2	SALES (MCF)	67,312,425	76,175,241	68,701,749	68,073,984	63,934,888
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 282,086,599	$ 314,170,274	$ 303,098,235	$ 255,582,945	$ 208,543,853
4	WAGES AND BENEFITS	21,848,357	38,360,470	38,000,989	36,408,880	32,721,595
5	OTHER OPERATION AND MAINTENANCE EXPENSES	17,705,254	33,679,883	20,454,304	18,569,718	18,585,930
6	DEPRECIATION AND AMORTIZATION EXPENSES	8,231,531	8,010,505	8,236,802	7,912,905	7,474,415
7	INCOME TAXES - OPERATING	20,845,785	14,996,142	9,064,758	9,933,257	6,095,481
8	OTHER TAXES - OPERATING	46,678,329	42,183,952	39,362,375	34,144,039	31,443,991
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS**	13,888,619	14,975,568	13,351,644	12,035,841	11,362,700
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS***	3,183,084	3,654,686	4,542,992	3,250,386	3,047,539
11	EARNINGS AVAILABLE FOR COMMON EQUITY	24,154,481	13,823,768	11,087,536	11,848,326	7,794,514
12	TOTAL	$ 438,420,039	$ 483,835,248	$ 447,198,635	$ 389,684,297	$ 327,070,018
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	64.3	64.9	67.8	65.6	63.8
14	WAGES AND BENEFITS	5.0	7.9	8.5	9.3	10.0
15	OTHER OPERATION AND MAINTENANCE EXPENSES	4.0	7.0	4.6	4.8	5.7
16	DEPRECIATION AND AMORTIZATION EXPENSES	1.9	1.7	1.8	2.0	2.3
17	INCOME TAXES - OPERATING	4.7	3.1	2.0	2.5	1.9
18	OTHER TAXES - OPERATING	10.6	8.7	8.8	8.8	9.6
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS**	3.2	3.1	3.0	3.1	3.5
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS***	0.7	0.8	1.0	0.8	0.9
21	EARNINGS AVAILABLE FOR COMMON EQUITY	5.5	2.9	2.5	3.0	2.4
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 4.19	$ 4.12	$ 4.41	$ 3.75	$ 3.26
24	WAGES AND BENEFITS	0.32	0.50	0.55	0.53	0.51
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.26	0.44	0.30	0.27	0.29
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.12	0.11	0.12	0.12	0.12
27	INCOME TAXES - OPERATING	0.31	0.20	0.13	0.15	0.10
28	OTHER TAXES - OPERATING	0.69	0.55	0.57	0.50	0.49
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS**	0.21	0.20	0.19	0.18	0.18
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS***	0.05	0.05	0.07	0.05	0.05
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.36	0.18	0.16	0.17	0.12
32	TOTAL	$ 6.51	$ 6.35	$ 6.51	$ 5.72	$ 5.12
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	3.93	4.26	4.79	5.42	5.18

**LONG ISLAND LIGHTING COMPANY INCLUDES INTEREST ON TRUST OBLIGATIONS

***CALCULATION ASSUMES LONG ISLAND LIGHTING COMPANY'S PREFERRED DIVIDENDS ARE ACCRUED

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 576,645,541	$ 534,207,351	$ 499,989,956	$ 471,275,724	$ 446,936,152
2	ACCUM. PROVISION FOR DEPR. AND AMORT	125,260,770	115,971,128	107,359,590	101,745,589	95,667,893
3	NET GAS UTILITY PLANT	451,384,771	418,236,223	392,630,366	369,530,135	351,268,259
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM. PROVISION FOR DEPR. AND AMORT	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	576,645,541	534,207,351	499,989,956	471,275,724	446,936,152
8	ACCUM. PROVISION FOR DEPR. AND AMORT	125,260,770	115,971,128	107,359,590	101,745,589	95,667,893
9	NET TOTAL UTILITY PLANT	451,384,771	418,236,223	392,630,366	369,530,135	351,268,259
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	83,225	83,225	83,225	79,741	67,441
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	-	-	-	-	-
13	OTHER INVESTMENTS	368,626	369,727	374,266	239,391	266,159
14	SPECIAL FUNDS	-	-	-	205,870	255,963
15	TOTAL OTHER PROPERTY AND INVESTMENTS	451,851	452,952	457,491	525,002	589,563
16	CASH	10,240,372	6,893,957	5,196,629	4,865,693	7,061,925
17	SPECIAL DEPOSITS	3,034,569	2,812,463	2,555,773	2,341,919	2,098,453
18	WORKING FUNDS	466,934	415,890	358,283	356,008	319,495
19	TEMPORARY CASH INVESTMENTS	-	380,549	-	-	10,000,000
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	73,543,416	73,505,487	82,472,216	82,343,991	79,927,066
21	RECEIVABLES FROM ASSOCIATED COMPANIES	927,474	645,931	1,017,672	295,482	459,625
22	MATERIALS AND SUPPLIES	8,087,526	9,045,993	10,521,232	11,112,753	12,277,680
23	GAS STORED UNDERGROUND-CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	7,018,171	7,014,424	6,559,548	6,723,617	6,914,268
26	OTHER CURRENT AND ACCRUED ASSETS	120,307	168,027	995,855	716,020	260,206
27	TOTAL CURRENT AND ACCRUED ASSETS	103,438,769	100,882,721	109,677,208	108,755,483	119,318,718
28	UNAMORTIZED DEBT EXPENSE	-	-	-	-	-
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL. SURVEY + INVESTIGATION CHARGES	35,692	6,208	-	-	-
31	CLEARING ACCOUNTS	186,265	9,967-	48,644-	51,762-	1,535,040
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	158,218	168,480	170,770	-	-
34	ACCUMULATED DEFERRED INCOME TAXES	171,994-	105,604-	70,255-	12,727-	23
35	OTHER DEFERRED DEBITS	50,345,351	21,090,573	64,880,099	71,984,362	20,388,891
36	TOTAL DEFERRED DEBITS	50,553,532	21,149,690	64,931,970	71,919,873	21,923,954
37	TOTAL ASSETS AND OTHER DEBITS	$ 605,828,923	$ 540,721,586	$ 567,697,035	$ 550,730,493	$ 493,100,494
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 59,170,600	$ 59,170,600	$ 59,170,600	$ 59,170,600	$ 59,170,600
39	PREFERRED STOCK ISSUED	-	-	-	-	-
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	68,500	68,500	68,500	68,500	68,500
43	OTHER PAID-IN CAPITAL	4,107,184	4,107,184	4,107,184	4,107,184	4,107,184
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	-	-	-	-	-
46	RETAINED EARNINGS	117,891,651	113,607,327	101,846,981	92,751,084	88,257,243
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	181,237,935	176,953,611	165,193,265	156,097,368	151,603,527
50	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
51	ADVANCES FROM ASSOCIATED COMPANIES	143,900,700	151,323,300	176,704,100	142,799,500	148,394,900
52	OTHER LONG-TERM DEBT	685,968	700,000	-	-	-
53	NET UNAMORTIZED PREMIUM + DISCOUNT	-	-	-	-	-
54	TOTAL LONG TERM DEBT	144,586,668	152,023,300	176,704,100	142,799,500	148,394,900
55	NOTES PAYABLE	-	-	-	-	-
56	ACCOUNTS PAYABLE	4,518,372	4,990,548	7,205,656	6,333,710	6,643,098
57	PAYABLES TO ASSOCIATED COMPANIES	180,540,697	111,314,926	119,772,597	174,268,457	93,039,825
58	CUSTOMER DEPOSITS	2,637,298	2,383,305	2,153,808	1,757,998	1,404,082
59	TAXES ACCRUED	15,605,087-	9,360,813-	9,849,025-	18,492,859-	837,945-
60	INTEREST ACCRUED	113,883	103,578	100,107	88,363	81,220
61	DIVIDENDS DECLARED	4,662,500	3,531,000	2,715,000	2,525,000	2,560,000
62	TAX COLLECTIONS PAYABLE	3,608,342	2,963,696	3,270,795	2,805,070	3,664,854
63	OTHER CURRENT AND ACCRUED LIABILITIES	30,368,737	48,163,273	40,427,058	33,937,084	54,910,251
64	TOTAL CURRENT AND ACCRUED LIABILITIES	210,844,762	164,089,513	165,795,996	203,222,823	161,465,385
65	CUSTOMER ADVANCES FOR CONSTRUCTION	523,125	493,732	483,662	463,742	473,799
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	19,748,226	16,856,241	14,754,042	12,528,809	10,264,557
68	OTHER DEFERRED CREDITS	2,816,987	2,582,888	2,403,024	2,314,231	2,090,160
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	-	-	-	-	-
70	LIBERALIZED DEPRECIATION	25,146,983	20,205,504	15,876,893	12,485,539	10,124,614
71	OTHER	20,912,540	7,682,840	26,504,528	20,778,800	8,629,702
72	TOTAL DEFERRED CREDITS	69,147,861	47,821,185	60,022,149	48,571,121	31,582,832
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	11,697	166,023-	18,475-	39,681	53,850
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	11,697	166,023-	18,475-	39,681	53,850
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 605,828,923	$ 540,721,586	$ 567,697,035	$ 550,730,493	$ 493,100,494

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 873,526,109 $	947,231,883 $	973,860,193 $	928,256,807 $	848,988,314	1
OPERATION AND MAINTENANCE EXPENSE	746,235,059	814,051,381	856,508,212	823,479,502	752,115,578	2
DEPRECIATION EXPENSE	14,579,555	13,369,710	12,294,842	11,245,280	10,722,827	3
AMORTIZATION	301,222	531,333	511,771	1,015,898	821,033	4
TAXES OTHER THAN INCOME TAXES	60,046,612	63,004,767	61,640,516	57,094,859	51,615,079	5
INCOME TAXES	7,705,511-	27,740,459	4,037,755-	11,661,628-	9,362,288	6
PROVISION FOR DEFERRED INCOME TAXES	19,321,378	13,223,086-	10,424,432	25,877,204	5,859,754-	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	1,083,769-	1,234,663-	1,040,737-	11,075,652-	2,025,363-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	209,085-	278,779-	278,779-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	831,694,547	904,239,904	938,092,195	895,696,684	816,472,909	12
NET OPERATING REVENUES	41,831,562	42,991,979	37,767,998	32,560,123	32,515,405	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	41,831,562	42,991,979	37,767,998	32,560,123	32,515,405	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	41,831,562	42,991,979	37,767,998	32,560,123	32,515,405	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	26,126-	52,001-	32,565-	126,057-	202,740-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	9,220	6,000	6,256	900	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	382,238	2,609,312	1,924,406	1,521,819	2,238,256	22
ALLOWANCE FOR CONSTRUCTION FUNDS	567,621	395,702	490,693	582,863	321,211	23
MISCELLANEOUS NONOPERATING INCOME	-	-	902,891	-	-	24
GAIN ON DISPOSITION OF PROPERTY	-	15,719	14,990	115	7,304	25
TOTAL OTHER INCOME	912,953	2,974,732	3,308,671	1,979,640	2,384,031	26
TOTAL INCOME	42,744,515	45,966,711	41,074,669	34,539,763	34,879,436	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	28,760	99,822	44,558	48,560	81,310	28
INCOME TAXES-NONOPERATING	792,185-	323,068	522,342	22,107	67,736-	29
LOSS ON DISPOSITION OF PROPERTY	-	5,258	8,287	3,229	2,356	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	988,497	399,386	281,580	281,088	591,396	32
TOTAL INCOME DEDUCTIONS	225,072	827,534	856,767	354,984	607,328	33
INCOME BEFORE INTEREST CHARGES	42,519,443	45,139,177	40,217,902	34,184,779	34,272,110	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	-	-	-	-	-	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	-	-	-	-	-	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	18,356,228	16,663,071	17,793,987	15,947,261	16,312,630	38
OTHER INTEREST EXPENSE	3,491,891	3,952,259	3,038,019	3,753,676	2,022,358	39
TOTAL INTEREST CHARGES	21,848,119	20,615,330	20,832,006	19,700,937	18,334,988	40
INCOME BEFORE EXTRAORDINARY ITEMS	20,671,324	24,523,847	19,385,896	14,483,842	15,937,122	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 20,671,324 $	24,523,847 $	19,385,896 $	14,483,842 $	15,937,122	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 113,607,327 $	101,846,980 $	92,751,085 $	88,257,243 $	82,480,121	47
BALANCE TRANSFERRED FROM INCOME	20,671,324	24,523,847	19,385,896	14,483,841	15,937,122	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	50
-COMMON STOCK	16,387,000	12,763,500	10,290,000	9,990,000	10,160,000	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	117,891,651	113,607,327	101,846,981	92,751,084	88,257,243	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 117,891,651 $	113,607,327 $	101,846,981 $	92,751,084 $	88,257,243	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.64	0.55	0.50	0.49	0.51	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	-	-	-	-	-	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	0.64	0.55	0.50	0.49	0.51	59
CURRENT ASSETS / BY CURRENT LIABILITIES	0.49	0.61	0.66	0.54	0.74	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	44.3	46.2	51.6	47.7	49.4	61
PREFERRED STOCK	-	-	-	-	-	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	19.4	19.2	18.5	21.1	21.1	63
RETAINED EARNINGS	36.1	34.5	29.7	31.0	29.4	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	25.0	28.4	35.3	30.3	33.2	65
% OF NET UTILITY PLANT	32.0	36.3	45.0	38.6	42.2	66
ACCUM PROVISION FOR DEPR.: % OF UTILITY PLT	21.7	21.7	21.4	21.5	21.4	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	85.4	85.9	87.9	88.7	88.5	69
GAS DEPRECIATION AND AMORTIZATION	1.7	1.4	1.3	1.3	1.3	70
TOTAL INCOME TAXES-GAS, OPERATING	1.2	1.4	0.5	0.3	0.1	71
OTHER TAXES-GAS, OPERATING	6.8	6.6	6.3	6.1	6.0	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	95.2	95.4	96.1	96.4	96.1	74
GAS OPERATING INCOME	4.7	4.5	3.8	3.5	3.8	75
GAS DEPR. AND AMORT.: % OF GAS UTILITY PLT	2.5	2.8	2.5	2.6	2.5	76
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	2.5	2.2	2.1	2.1	2.2	77
PRETAX INTEREST COVERAGE	2.4	2.8	2.2	1.9	1.9	78
NET INCOME-PERCENT OF OPERATING REVENUES	2.3	2.5	1.9	1.5	1.8	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	80
TIMES EARNED	-	-	-	-	-	81
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	1.8	1.3	1.0	1.0	1.1	82
% OF EARNINGS AVAILABLE FOR COMMON	79.2	52.0	53.0	68.9	63.7	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	11.5	14.3	12.0	9.4	10.7	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	9.1	7.4	6.4	6.4	6.8	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

LINE NO.		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 20,671,324	$ 24,523,847	$ 19,385,896	$ 14,483,842	$ 15,937,122
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	14,880,777	13,901,043	12,857,678	12,303,108	11,587,140
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	21,520,074	11,917,590-	11,698,111	17,238,226	6,000,407-
4	INTEREST CAPITALIZED	567,621-	395,702-	490,693-	582,863-	321,211-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	56,504,554	26,111,598	43,450,992	43,443,313	21,202,644
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	56,504,554	26,111,598	43,450,992	43,443,313	21,202,644
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	16,387,000	12,763,500	10,290,000	9,990,000	10,160,000
12	NET FUNDS FROM INTERNAL SOURCES	40,117,554	13,348,098	33,160,992	33,453,313	11,042,644
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	-	700,000	50,000,000	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	61,200,000	12,100,000	-	70,500,000	-
17	OTHER (NET)	-	43,355,897	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	61,200,000	56,155,897	50,000,000	70,500,000	-
20	OTHER SOURCES (NET)	-	-	32,214,515	-	40,274,121
21						
22						
23	TOTAL FUNDS PROVIDED	$ 101,317,554	$ 69,503,995	$ 115,375,507	$ 103,953,313	$ 51,316,765
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 48,029,325	$ 39,506,899	$ 34,667,316	$ 29,592,841	$ 28,342,576
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	3,484	-	-
27	OTHER	-	-	-	-	-
28	TOTAL GROSS ADDITIONS	48,029,325	39,506,899	34,670,800	29,592,841	28,342,576
29	LESS INTEREST CAPITALIZED	567,621	395,702	490,693	582,863	321,211
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	47,461,704	39,111,197	34,180,107	29,009,978	28,021,365
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	7,438,632	25,380,800	16,095,400	5,595,400	6,225,200
32	PREFERRED STOCK	-	-	-	-	-
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	-	65,100,000	-	17,070,200
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	7,438,632	25,380,800	81,195,400	5,595,400	23,295,400
38	OTHER USES (NET)	46,419,218	5,011,998	-	69,347,935	-
39						
40						
41	TOTAL FUNDS APPLIED	$ 101,317,554	$ 69,503,995	$ 115,375,507	$ 103,953,313	$ 51,316,765

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
		GAS OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 524,894,973	$ 565,633,329	$ 551,772,203	$ 505,736,111	$ 437,800,439	1
COMMERCIAL AND INDUSTRIAL	338,723,913	371,777,899	415,229,447	418,182,855	401,162,538	2
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	863,618,886	937,411,228	967,001,650	923,918,966	838,962,977	5
RESALE	-	54,833	198,992-	380,647	6,210,515	6
TOTAL REVENUES FROM SALES OF GAS	863,618,886	937,466,061	966,802,658	924,299,613	845,173,492	7
OTHER GAS OPERATING REVENUES	9,907,223	9,765,822	7,057,535	3,957,194	3,814,822	8
TOTAL GAS OPERATING REVENUES	$ 873,526,109	$ 947,231,883	$ 973,860,193	$ 928,256,807	$ 848,988,314	9
GAS SALES (MCF)						
RESIDENTIAL	83,210,656	88,628,403	82,591,818	92,991,111	98,846,876	10
COMMERCIAL AND INDUSTRIAL	62,190,538	67,372,860	70,252,821	85,292,691	100,536,306	11
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	145,401,194	156,001,263	152,844,639	178,283,802	199,383,182	14
RESALE	-	-	1,419	241,242	1,761,496	15
TOTAL GAS SALES	145,401,194	156,001,263	152,846,058	178,525,044	201,144,678	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	648,840	646,304	641,739	642,880	642,900	17
COMMERCIAL AND INDUSTRIAL	41,106	40,388	39,899	40,069	39,297	18
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	689,946	686,692	681,638	682,949	682,197	21
RESALE	-	-	1	2	3	22
TOTAL CUSTOMERS	689,946	686,692	681,639	682,951	682,200	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 808.97	$ 875.18	$ 859.81	$ 786.67	$ 680.98	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	128	137	129	145	154	25
AVERAGE REVENUE PER MCF SOLD	$ 6.31	$ 6.38	$ 6.68	$ 5.44	$ 4.43	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 8,240.25	$ 9,205.18	$ 10,407.01	$ 10,436.57	$ 10,208.48	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	1,513	1,668	1,761	2,129	2,558	28
AVERAGE REVENUE PER MCF SOLD	$ 5.45	$ 5.52	$ 5.91	$ 4.90	$ 3.99	29
		GAS OPERATION AND MAINTENANCE EXPENSES				
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	-	-	-	-	-	31
NATURAL GAS						
PRODUCTION AND GATHERING	714,111	663,530	402,660	580,169	830,631	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	627,619,050	693,918,008	742,165,657	707,499,304	644,463,310	35
OTHER	521,262	381,760	461,952	456,392	209,564	36
TOTAL PRODUCTION EXPENSE	628,854,423	694,963,298	743,030,269	708,535,865	645,503,505	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	782,928	758,318	683,772	621,282	719,826	41
DISTRIBUTION EXPENSES	43,581,497	43,045,915	39,764,169	44,174,095	42,224,824	42
CUSTOMER ACCOUNTS EXPENSES	32,577,347	30,925,525	33,455,619	31,382,538	27,286,041	43
SALES EXPENSES	6,027,184	5,452,613	3,691,636	3,650,436	3,445,620	44
ADMINISTRATIVE AND GENERAL EXPENSES	34,411,682	38,905,692	35,882,747	36,115,308	32,935,762	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 746,235,059	$ 814,051,361	$ 856,508,212	$ 823,479,502	$ 752,115,578	46
		GAS UTILITY PLANT				
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 318,881	$ 318,881	$ 318,881	$ 318,881	$ 318,881	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	-	-	-		-	50
NATURAL GAS PLANT	18,160,965	18,364,318	18,946,143	19,530,523	20,556,503	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	25,735,258	24,276,631	25,878,506	26,382,390	29,284,270	55
DISTRIBUTION PLANT	495,294,718	459,359,036	423,680,651	396,065,847	369,830,841	56
GENERAL PLANT	31,646,323	26,524,706	24,066,408	23,282,402	21,538,024	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	571,156,145	528,843,572	492,890,589	465,580,043	441,528,519	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	5,489,396	5,363,779	7,099,367	5,695,681	5,407,633	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	576,645,541	534,207,351	499,989,956	471,275,724	446,936,152	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	125,260,770	115,971,128	107,359,590	101,745,589	95,667,893	67
NET GAS UTILITY PLANT	$ 451,384,771	$ 418,236,223	$ 392,630,366	$ 369,530,135	$ 351,268,259	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 528,843,572	$ 492,890,589	$ 465,580,043	$ 441,528,519	$ 407,150,016	69
ADDITIONS	41,881,237	35,895,607	29,872,871	28,058,283	39,007,656	70
RETIREMENTS	3,888,431	4,606,409	5,934,040	5,218,558	4,608,952	71
TRANSFERS AND ADJUSTMENTS	4,319,767	4,663,785	3,371,715	1,211,799	20,201-	72
PLANT IN SERVICE END OF YEAR	$ 571,156,145	$ 528,843,572	$ 492,890,589	$ 465,580,043	$ 441,528,519	73

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 873,526,109	$ 947,231,853	$ 973,880,193	$ 928,256,807	$ 848,988,314
2	SALES (MCF)	145,401,194	156,001,253	152,846,058	178,525,044	201,144,678
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 628,140,312	$ 694,299,768	$ 742,627,609	$ 707,955,696	$ 644,672,874
4	WAGES AND BENEFITS	10,108,592	79,441,563	73,554,703	73,714,822	67,961,740
5	OTHER OPERATION AND MAINTENANCE EXPENSES	107,985,155	40,310,030	40,325,900	41,808,984	39,480,964
6	DEPRECIATION AND AMORTIZATION EXPENSES	14,880,777	13,901,043	12,806,613	12,281,178	11,543,860
7	INCOME TAXES - OPERATING	10,532,099	13,282,732	5,136,854	2,861,144	1,198,392
8	OTHER TAXES - OPERATING	60,046,612	63,004,767	61,640,516	57,094,869	51,615,079
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	21,567,330	20,397,881	20,615,993	19,372,838	18,176,162
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	20,264,232	22,594,098	17,152,005	13,187,286	14,339,243
12	TOTAL	$ 873,526,109	$ 947,231,883	$ 973,880,193	$ 928,256,807	$ 848,988,314
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	71.9	73.3	76.3	76.3	75.9
14	WAGES AND BENEFITS	1.2	8.4	7.6	7.9	8.0
15	OTHER OPERATION AND MAINTENANCE EXPENSES	12.4	4.3	4.1	4.5	4.7
16	DEPRECIATION AND AMORTIZATION EXPENSES	1.7	1.5	1.3	1.3	1.4
17	INCOME TAXES - OPERATING	1.2	1.4	0.5	0.3	0.1
18	OTHER TAXES - OPERATING	6.9	6.7	6.3	6.2	6.1
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	2.5	2.2	2.1	2.1	2.1
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	2.3	2.4	1.8	1.4	1.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 4.32	$ 4.45	$ 4.86	$ 3.97	$ 3.21
24	WAGES AND BENEFITS	0.07	0.51	0.48	0.41	0.34
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.74	0.26	0.26	0.23	0.20
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.10	0.09	0.08	0.07	0.06
27	INCOME TAXES - OPERATING	0.07	0.09	0.03	0.02	0.01
28	OTHER TAXES - OPERATING	0.41	0.40	0.40	0.32	0.26
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.15	0.13	0.13	0.11	0.09
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.14	0.14	0.11	0.07	0.07
32	TOTAL	$ 6.01	$ 6.07	$ 6.37	$ 5.20	$ 4.22

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 154,674,906	$ 147,119,521	$ 142,072,202	$ 137,788,503	$ 133,156,086
2	ACCUM. PROVISION FOR DEPR. AND AMORT	51,157,411	48,081,728	44,772,775	41,785,242	38,952,667
3	NET GAS UTILITY PLANT	103,517,495	99,037,793	97,299,427	96,003,261	94,203,419
4	OTHER UTILITY PLANT	3,997,970,855	3,723,689,560	3,299,514,887	2,795,459,668	2,258,555,873
5	ACCUM. PROVISION FOR DEPR. AND AMORT	637,128,236	569,826,542	518,345,283	484,685,691	451,626,167
6	NET OTHER UTILITY PLANT	3,360,842,619	3,153,863,018	2,781,169,604	2,310,773,977	1,806,929,706
7	TOTAL UTILITY PLANT	4,152,645,761	3,870,809,081	3,441,587,089	2,933,248,171	2,391,711,959
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	688,285,647	617,908,270	563,118,058	526,470,933	490,578,834
9	NET TOTAL UTILITY PLANT	3,464,360,114	3,252,900,811	2,878,469,031	2,406,777,238	1,901,133,125
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	3,111,851	3,122,221	3,531,070	3,508,710	3,269,927
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	212,000	212,000	212,000	212,000	200,000
13	OTHER INVESTMENTS	7,790,000	13,890,000	14,140,000	15,590,000	16,590,000
14	SPECIAL FUNDS	264,502	272,814	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	11,378,353	17,497,035	17,883,070	19,310,710	20,059,927
16	CASH	5,999,167-	6,892,778-	4,185,394	5,513,576	6,178,652
17	SPECIAL DEPOSITS	13,598,507	70,192,118	10,245,664	32,721,930	8,196,345
18	WORKING FUNDS	5,020,153	809,342	1,841,077	2,099,797	1,031,656
19	TEMPORARY CASH INVESTMENTS	8,500,000	10,300,000	-	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	116,240,072	114,588,322	93,697,382	89,099,941	80,185,954
21	RECEIVABLES FROM ASSOCIATED COMPANIES	110,786	71,872	63,817	-	-
22	MATERIALS AND SUPPLIES	95,768,725	98,758,149	66,904,705	64,019,122	57,088,926
23	GAS STORED UNDERGROUND-CURRENT	828,126	889,970	609,106	1,042,187	595,899
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	20,189,968	20,033,847	17,080,955	13,004,185	12,079,297
26	OTHER CURRENT AND ACCRUED ASSETS	293,128	2,034,545	234,915	1,805,253	248,742
27	TOTAL CURRENT AND ACCRUED ASSETS	254,548,294	310,796,387	194,843,015	209,305,991	183,565,471
28	UNAMORTIZED DEBT EXPENSE	60,525,660	26,012,922	22,748,892	12,792,298	7,915,862
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL. SURVEY + INVESTIGATION CHARGES	1,324,486	2,287,221	2,970,728	3,187,773	2,926,646
31	CLEARING ACCOUNTS	38,245-	505,507-	799,609	29,250	317,155
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	183,890-	27,383	383,833-	531,444-	9,441-
34	ACCUMULATED DEFERRED INCOME TAXES	15,200,967	22,066,677	10,082,080	12,790,385	6,092,109
35	OTHER DEFERRED DEBITS	109,255,294	40,886,294	15,302,676	38,698,200	26,296,782
36	TOTAL DEFERRED DEBITS	186,084,262	90,755,000	51,520,130	66,966,462	43,539,113
37	TOTAL ASSETS AND OTHER DEBITS	$ 3,916,371,023	$ 3,671,948,233	$ 3,142,715,246	$ 2,702,360,401	$ 2,128,297,637
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 360,046,582	$ 347,182,736	$ 323,344,778	$ 264,592,380	$ 217,498,386
39	PREFERRED STOCK ISSUED	252,620,000	277,300,000	278,950,000	236,075,000	248,812,500
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	480,349,216	447,719,373	406,471,565	283,850,783	211,759,204
43	OTHER PAID-IN CAPITAL	29,346,985	29,469,981	29,480,279	29,409,747	29,482,342
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	8,173,925-	8,283,296-	8,165,963-	6,722,746-	6,495,197-
46	RETAINED EARNINGS	469,681,779	418,472,383	352,524,176	317,464,842	270,464,490
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	1,583,850,637	1,511,861,177	1,382,604,835	1,124,669,997	969,521,724
50	BONDS (LESS BONDS REACQUIRED)	1,274,480,000	1,236,134,000	1,060,940,000	965,061,000	844,147,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	481,741,631	404,902,154	222,125,000	126,575,000	18,575,000
53	NET UNAMORTIZED PREMIUM + DISCOUNT	1,615,196-	1,952,077-	983,744-	497,454-	676,263
54	TOTAL LONG TERM DEBT	1,754,606,435	1,639,084,077	1,282,081,256	1,091,138,546	863,398,263
55	NOTES PAYABLE	118,300,000	60,100,000	97,750,000	96,650,000	35,000,000
56	ACCOUNTS PAYABLE	75,651,462	104,286,625	131,925,074	152,053,763	77,550,279
57	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
58	CUSTOMER DEPOSITS	3,339,953	2,846,878	2,488,420	2,346,693	2,300,039
59	TAXES ACCRUED	5,045,133	9,655,766	6,051,953	12,045,918	16,570,019
60	INTEREST ACCRUED	51,949,517	53,418,781	34,989,042	32,550,646	20,960,434
61	DIVIDENDS DECLARED	6,090,191	6,816,190	6,752,066	5,528,909	4,895,768
62	TAX COLLECTIONS PAYABLE	1,909,114	2,669,602	2,200,247	1,951,073	2,005,479
63	OTHER CURRENT AND ACCRUED LIABILITIES	43,357,953	40,811,318	35,126,449	41,111,680	40,821,036
64	TOTAL CURRENT AND ACCRUED LIABILITIES	305,643,323	280,605,160	317,283,251	344,238,682	200,103,054
65	CUSTOMER ADVANCES FOR CONSTRUCTION	5,169,600	4,444,024	1,097,231	1,030,956	815,636
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	75,438,080	73,711,247	51,023,498	42,180,793	33,695,051
68	OTHER DEFERRED CREDITS	16,250,546	34,931,067	12,698,774	14,359,175	4,234,812
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	2,129,858	2,662,417	3,264,821	3,988,751	4,819,901
70	LIBERALIZED DEPRECIATION	112,908,540	71,494,811	43,527,821	31,001,247	20,468,183
71	OTHER	60,174,024	52,954,253	48,933,759	49,551,254	31,041,013
72	TOTAL DEFERRED CREDITS	272,070,628	240,197,819	160,545,904	142,113,176	95,074,596
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	200,000	200,000	200,000	200,000	200,000
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	200,000	200,000	200,000	200,000	200,000
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,916,371,023	$ 3,671,948,233	$ 3,142,715,246	$ 2,702,360,401	$ 2,128,297,637

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

NEW YORK STATE ELECTRIC & GAS CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 190,201,164	$ 207,817,466	$ 207,865,521	$ 184,997,414	$ 158,361,433	1
OPERATION AND MAINTENANCE EXPENSE	155,757,588	171,067,786	183,649,621	155,483,338	131,981,810	2
DEPRECIATION EXPENSE	3,815,563	4,114,668	3,943,557	3,619,176	3,609,952	3
AMORTIZATION	106,564	159,719	179,462	339,799	183,979	4
TAXES OTHER THAN INCOME TAXES	15,606,273	16,298,353	15,483,526	13,961,798	12,161,188	5
INCOME TAXES	66,918	311,932-	842,109	384,461	993,294	6
PROVISION FOR DEFERRED INCOME TAXES	1,739,634	238,238-	1,445,938-	4,893,250	1,835,082	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	1,215,437	1,060,959-	814,843-	1,805,000-	676,068-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	178,308,008	190,016,399	202,037,494	176,876,822	150,089,237	12
NET OPERATING REVENUES	11,893,156	17,801,067	5,828,027	8,120,592	8,272,196	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	11,893,156	17,801,067	5,828,027	8,120,592	8,272,196	15
OTHER UTILITY OPERATING INCOME	235,107,103	212,856,468	168,117,786	168,380,179	136,358,914	16
TOTAL UTILITY OPERATING INCOME	247,000,259	230,657,535	173,945,813	176,500,771	144,631,110	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	20,351-	35,980-	20,040-	56,844-	27,001-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO S	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	882,603	2,827,000	2,097,082	8,277,873	359,088	22
ALLOWANCE FOR CONSTRUCTION FUNDS	122,719,138	104,263,980	91,641,259	54,465,618	32,719,491	23
MISCELLANEOUS NONOPERATING INCOME	731,889-	22,408,631	426,638-	4,458,757	2,329	24
GAIN ON DISPOSITION OF PROPERTY	105,201	19,509	17,168	14,951	10,408-	25
TOTAL OTHER INCOME	122,724,702	129,483,140	93,308,831	67,160,355	33,043,497	26
TOTAL INCOME	369,724,961	360,140,675	267,254,644	243,661,126	177,674,607	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	130,728	132,812	130,391	118,284	95,951	28
INCOME TAXES-NONOPERATING	25,596,203-	33,249,000-	26,866,000-	11,446,000-	9,470,601-	29
LOSS ON DISPOSITION OF PROPERTY	73,717	19,509	25,131	-	7,265-	30
MISCELLANEOUS AMORTIZATION	1,541	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	165,762-	11,494,586	749,039	628,311	495,179	32
TOTAL INCOME DEDUCTIONS	25,556,979-	21,606,093-	25,961,439-	10,699,405-	8,886,736-	33
INCOME BEFORE INTEREST CHARGES	395,280,940	381,746,768	293,216,083	254,360,531	186,561,343	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	174,584,406	158,720,760	129,651,585	101,959,842	68,773,205	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	2,811,468	2,816,707	1,983,164	1,350,797	610,573	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	81,598-	68,375-	76,331-	76,381-	70,851-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	9,513,509	8,901,582	4,977,605	6,031,211	9,447,242	39
TOTAL INTEREST CHARGES	186,847,775	170,370,674	136,536,023	109,265,469	78,760,169	40
INCOME BEFORE EXTRAORDINARY ITEMS	208,433,165	211,376,094	156,680,060	145,095,062	107,801,174	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 208,433,165	$ 211,376,094	$ 156,680,060	$ 145,095,062	$ 107,801,174	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 418,472,383	$ 352,524,178	$ 317,464,842	$ 270,464,490	$ 238,855,649	47
BALANCE TRANSFERRED FROM INCOME	208,433,165	211,376,094	156,680,060	145,095,062	107,801,174	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	25,225,720	27,370,512	23,466,059	22,610,168	17,535,855	50
-COMMON STOCK	132,018,049	118,057,375	98,154,667	75,484,542	58,656,478	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	469,661,779	418,472,383	352,524,178	317,464,842	270,464,490	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 469,661,779	$ 418,472,383	$ 352,524,178	$ 317,464,842	$ 270,464,490	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.79	0.70	0.67	0.73	0.82	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	3.67	3.61	3.88	3.29	3.15	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	3.23	3.24	3.21	2.79	2.71	59
CURRENT ASSETS / BY CURRENT LIABILITIES	0.83	1.11	0.61	0.61	0.82	60
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	52.5	52.0	48.1	49.2	47.1	61
PREFERRED STOCK	7.5	8.8	10.4	10.6	13.4	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	25.8	25.8	28.1	25.7	24.6	63
RETAINED EARNINGS	14.0	13.2	13.2	14.3	14.7	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	42.2	42.3	37.2	37.1	36.0	65
% OF NET UTILITY PLANT	50.6	50.3	44.5	45.3	45.4	66
ACCUM.PROVISION FOR DEPR.: % OF UTILITY PLT	16.5	15.9	16.3	17.9	20.5	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	16.3	18.4	20.9	19.3	19.0	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	81.8	82.3	88.3	84.0	83.3	69
GAS DEPRECIATION AND AMORTIZATION	2.0	2.0	1.9	2.1	2.3	70
TOTAL INCOME TAXES-GAS, OPERATING	1.6	0.6-	0.4-	1.8	1.3	71
OTHER TAXES-GAS, OPERATING	8.2	7.8	7.4	7.5	7.6	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	93.7	91.4	97.1	95.6	94.7	74
GAS OPERATING INCOME	6.2	8.5	2.8	4.3	5.2	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	2.5	2.9	2.9	2.8	2.8	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	15.0	15.1	13.7	11.5	9.5	77
PRETAX INTEREST COVERAGE	2.4	2.5	2.4	2.7	2.8	78
NET INCOME-PERCENT OF OPERATING REVENUES	16.7	18.7	15.7	15.2	12.9	79
DIVIDEND APPROPRIATIONS,PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	2.0	2.4	2.3	2.3	2.1	80
TIMES EARNED	8.3	7.7	6.7	6.4	6.1	81
DIVIDEND APPROPRIATIONS,COMMON STOCK:						
PERCENT OF OPERATING REVENUES	10.6	10.4	9.8	7.9	7.0	82
% OF EARNINGS AVAILABLE FOR COMMON	72.0	64.1	73.6	61.6	64.9	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	14.2	15.7	13.3	15.2	13.2	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.2	10.0	9.8	9.3	8.5	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

LINE NO.		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 208,433,185	$ 211,376,094	$ 156,680,060	$ 145,095,062	$ 107,801,174
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	119,430,354	76,856,339	70,133,001	59,887,950	55,594,043
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	93,070,230	75,762,859	34,525,323	34,431,607	25,196,199
4	INTEREST CAPITALIZED	82,534,289-	104,263,980-	91,641,259-	54,465,618-	32,719,491-
5	OTHER (NET):	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	338,399,480	259,731,312	169,697,125	184,949,001	155,871,925
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	338,399,480	259,731,312	169,697,125	184,949,001	155,871,925
10	LESS DIVIDENDS: PREFERRED	25,225,720	27,370,512	23,466,059	22,610,168	17,536,855
11	COMMON	132,018,079	118,057,375	98,154,667	75,484,542	58,655,478
12	NET FUNDS FROM INTERNAL SOURCES	181,155,681	114,303,425	48,076,399	86,854,291	79,679,592
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	408,000,000	374,000,000	164,350,000	338,000,000	160,000,000
14	PREFERRED STOCK	-	-	45,000,000	-	60,000,000
15	COMMON STOCK	45,493,854	65,085,766	181,375,755	117,186,036	50,608,597
16	NET INCREASE IN SHORT TERM DEBT	58,200,000	-	33,750,000	61,650,000	28,200,000
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	511,693,854	439,085,766	424,475,755	516,836,036	298,808,597
20	OTHER SOURCES (NET)	23,085,266	-	4,048,390	36,745,107	39,240,530
21						
22						
23	TOTAL FUNDS PROVIDED	$ 715,934,801	$ 553,389,191	$ 476,600,544	$ 640,435,434	$ 417,728,719
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	GAS PLANT	$ 8,453,214	$ 5,937,222	$ 5,269,574	$ 5,803,870	$ 6,538,955
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	-	-	-
27	OTHER	329,281,842	440,549,540	523,104,705	553,354,841	291,725,982
28	TOTAL GROSS ADDITIONS	337,735,056	446,486,762	528,374,279	559,158,711	298,264,937
29	LESS INTEREST CAPITALIZED	82,534,289	104,263,980	91,641,259	54,465,618	32,719,491
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	255,200,767	342,222,782	436,733,020	504,693,093	265,545,446
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	300,754,000	25,056,000	5,571,000	107,086,000	132,500,000
32	PREFERRED STOCK	24,680,000	1,650,000	2,125,000	10,737,500	4,737,500
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	37,650,000	-	-	-
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	325,434,000	64,356,000	7,696,000	117,823,500	137,237,500
38	OTHER USES (NET)	135,300,034	146,810,409	32,171,524	17,918,841	14,945,773
39						
40						
41	TOTAL FUNDS APPLIED	$ 715,934,801	$ 553,389,191	$ 476,600,544	$ 640,435,434	$ 417,728,719

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
GAS OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 88,876,514	$ 92,287,506	$ 92,973,496	$ 83,187,007	$ 71,398,708	1
COMMERCIAL AND INDUSTRIAL	80,684,256	94,497,188	95,006,860	82,311,824	71,847,585	2
OTHER SALES TO PUBLIC AUTHORITIES	18,610,523	19,840,170	19,257,488	15,835,129	12,701,153	3
INTERDEPARTMENTAL	178,717	197,920	195,215	193,629	151,438	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	188,150,010	206,822,783	207,431,849	181,507,589	156,098,884	5
RESALE	19,822	19,495	14,662	1,746,951	1,284,866	6
TOTAL REVENUES FROM SALES OF GAS	188,169,832	206,842,278	207,446,511	183,254,540	157,383,750	7
OTHER GAS OPERATING REVENUES	2,031,332	975,188	419,010	1,742,874	997,683	8
TOTAL GAS OPERATING REVENUES	$ 190,201,164	$ 207,817,466	$ 207,865,521	$ 184,997,414	$ 158,381,433	9
GAS SALES (MCF)						
RESIDENTIAL	13,310,660	13,768,377	13,508,029	15,284,522	15,978,535	10
COMMERCIAL AND INDUSTRIAL	14,803,937	17,146,104	16,637,999	17,676,042	19,037,532	11
OTHER SALES TO PUBLIC AUTHORITIES	3,418,478	3,558,956	3,342,923	3,436,120	3,388,996	12
INTERDEPARTMENTAL	31,224	33,693	32,587	41,394	38,259	13
TOTAL SALES TO ULTIMATE CONSUMERS	31,564,299	34,506,130	33,521,538	36,437,078	38,443,322	14
RESALE	3,506	3,418	2,547	529,330	453,462	15
TOTAL GAS SALES	31,567,805	34,508,548	33,524,085	36,966,408	38,896,784	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	112,262	111,761	111,558	112,137	112,296	17
COMMERCIAL AND INDUSTRIAL	17,760	17,602	17,110	16,183	15,015	18
OTHER SALES TO PUBLIC AUTHORITIES	1,158	1,136	1,136	1,134	1,143	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	131,181	130,499	129,804	129,454	128,454	21
RESALE	1	1	1	1	1	22
TOTAL CUSTOMERS	131,182	130,500	129,805	129,455	128,455	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 789.91	$ 825.76	$ 833.41	$ 741.60	$ 635.81	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	119	123	121	136	142	25
AVERAGE REVENUE PER MCF SOLD	$ 6.66	$ 6.70	$ 6.88	$ 5.44	$ 4.47	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 4,543.03	$ 5,388.55	$ 5,552.64	$ 5,086.31	$ 4,785.06	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	834	974	972	1,092	1,268	28
AVERAGE REVENUE PER MCF SOLD	$ 5.45	$ 5.61	$ 5.71	$ 4.66	$ 3.77	29
GAS OPERATION AND MAINTENANCE EXPENSES						
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	148,268	74,145	81,818	204,589	109,868	31
NATURAL GAS						
PRODUCTION AND GATHERING	13,369	37,765	22,156	23,230	33,827	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	129,730,874	148,337,130	159,977,411	132,739,215	112,753,117	35
OTHER	376,145	48,489-	846,452	243,226-	486,586-	36
TOTAL PRODUCTION EXPENSE	130,268,646	148,400,557	160,927,834	132,723,808	112,410,226	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	389,282	496,603	370,820	332,834	329,382	41
DISTRIBUTION EXPENSES	9,836,610	9,154,520	8,537,440	8,677,373	7,920,097	42
CUSTOMER ACCOUNTS EXPENSES	3,983,007	4,055,991	3,791,976	3,956,910	2,982,469	43
SALES EXPENSES	1,781,534	1,581,998	1,330,367	1,142,968	872,809	44
ADMINISTRATIVE AND GENERAL EXPENSES	9,499,509	9,368,117	8,691,184	8,649,445	7,466,827	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 155,757,588	$ 171,067,786	$ 183,649,621	$ 155,483,338	$ 131,981,810	46
GAS UTILITY PLANT*						
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 37,908	$ 37,908	$ 37,908	$ 37,908	$ 37,908	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	3,086,968	3,053,710	3,045,323	3,081,322	3,049,273	50
NATURAL GAS PLANT	1,436,996	1,436,995	1,435,995	1,436,996	1,436,587	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	5,503,157	5,318,812	5,153,564	5,129,747	5,022,892	55
DISTRIBUTION PLANT	141,476,234	134,223,192	129,782,228	124,435,783	118,080,651	56
GENERAL PLANT	1,720,059	1,691,342	1,717,778	1,871,140	1,849,557	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	153,239,321	145,760,959	141,172,786	135,961,895	129,476,868	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	23,619	20,284	20,284	17,456	16,088	63
CONSTRUCTION WORK IN PROGRESS	1,411,966	1,338,278	879,132	1,80[illegible]3	3,663,150	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	154,674,906	147,119,521	142,072,202	137,788,503	133,156,086	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	51,157,411	48,081,728	44,772,775	41,785,242	38,952,667	67
NET GAS UTILITY PLANT	$ 103,517,495	$ 99,037,793	$ 97,299,427	$ 96,003,261	$ 94,203,419	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 145,760,959	$ 141,172,786	$ 135,961,895	$ 129,476,868	$ 124,833,930	69
ADDITIONS	7,965,806	5,153,983	6,030,823	7,240,621	5,027,593	70
RETIREMENTS	478,943	573,696	808,037	753,900	481,976	71
TRANSFERS AND ADJUSTMENTS	1,499	7,885	11,895-	8,306	97,321	72
PLANT IN SERVICE END OF YEAR	$ 153,239,321	$ 145,760,959	$ 141,172,786	$ 135,961,895	$ 129,476,868	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 190,201,184	$ 207,817,486	$ 207,885,521	$ 184,997,414	$ 158,381,433
2	SALES (MCF)	31,567,806	34,508,548	33,524,085	36,968,408	38,898,784
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 130,107,019	$ 146,288,647	$ 160,823,863	$ - 132,495,989	$ 112,266,531
4	WAGES AND BENEFITS	16,139,881	15,928,514	14,940,257	14,431,021	12,631,903
5	OTHER OPERATION AND MAINTENANCE EXPENSES	9,510,886	8,840,625	7,886,501	8,556,328	7,083,376
6	DEPRECIATION AND AMORTIZATION EXPENSES	3,922,157	4,274,387	4,123,019	3,958,975	3,793,931
7	INCOME TAXES - OPERATING	3,021,989	1,612,127-	1,218,672-	3,472,711	2,152,308
8	OTHER TAXES - OPERATING	15,608,273	16,298,383	15,483,526	13,981,798	12,161,188
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	5,570,634	5,875,988	5,685,540	6,379,640	4,627,206
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	763,244	843,978	802,227	912,806	879,758
11	EARNINGS AVAILABLE FOR COMMON EQUITY	5,559,278	11,081,101	880,040-	828,147	2,765,232
12	TOTAL	$ 190,201,184	$ 207,817,486	$ 207,885,521	$ 184,997,414	$ 158,381,433
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	68.4	70.4	77.4	71.6	70.9
14	WAGES AND BENEFITS	8.5	7.7	7.2	7.8	8.0
15	OTHER OPERATION AND MAINTENANCE EXPENSES	5.0	4.3	3.8	4.6	4.5
16	DEPRECIATION AND AMORTIZATION EXPENSES	2.1	2.1	2.0	2.1	2.4
17	INCOME TAXES - OPERATING	1.6	0.7-	0.5-	1.9	1.4
18	OTHER TAXES - OPERATING	8.2	7.8	7.4	7.5	7.7
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	2.9	2.8	2.7	3.4	2.9
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.4	0.4	0.5	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	2.9	5.3	0.2-	0.4	1.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 4.12	$ 4.24	$ 4.80	$ 3.58	$ 2.89
24	WAGES AND BENEFITS	0.51	0.46	0.45	0.39	0.32
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.30	0.26	0.24	0.23	0.18
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.12	0.12	0.12	0.11	0.10
27	INCOME TAXES - OPERATING	0.10	0.04-	0.03-	0.09	0.06
28	OTHER TAXES - OPERATING	0.49	0.47	0.46	0.38	0.31
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.18	0.17	0.17	0.17	0.12
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.02	0.02	0.02	0.02	0.02
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.18	0.32	0.01-	0.02	0.07
32	TOTAL	$ 6.03	$ 6.02	$ 6.20	$ 5.00	$ 4.07
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	3.04	3.09	3.42	4.05	5.05

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 526,649,575	$ 503,464,401	$ 481,075,380	$ 458,315,314	$ 431,918,573
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	138,753,482	130,695,873	121,899,825	115,033,556	107,199,962
3	NET GAS UTILITY PLANT	387,896,093	372,768,528	359,175,555	343,281,758	324,718,611
4	OTHER UTILITY PLANT	7,079,682,911	6,368,099,170	5,634,584,256	5,017,547,926	4,514,370,362
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	1,478,894,419	1,358,830,831	1,395,887,569	1,305,639,604	1,228,250,885
6	NET OTHER UTILITY PLANT	5,600,788,492	5,009,268,344	4,238,696,687	3,711,908,322	3,286,119,477
7	TOTAL UTILITY PLANT	7,606,332,486	6,871,563,578	6,115,659,636	5,475,863,240	4,946,288,935
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	1,617,647,901	1,489,525,704	1,517,787,394	1,420,673,160	1,335,450,847
9	NET TOTAL UTILITY PLANT	5,988,684,585	5,382,038,872	4,597,872,242	4,055,190,080	3,610,838,088
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	18,643,249	18,347,886	18,719,395	19,667,800	18,033,190
11	INVESTMENT IN ASSOCIATED COMPANIES	-	330,904	413,763	356,832	358,832
12	INVESTMENT IN SUBSIDIARY COMPANIES	75,604,561	72,464,080	59,067,390	50,487,178	41,976,714
13	OTHER INVESTMENTS	232,282,189	128,532,638	32,345	80,573	80,573
14	SPECIAL FUNDS	79,916,312	50,402,625	29,769,088	13,421,793	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	406,428,311	270,078,130	107,991,981	84,014,176	60,447,309
16	CASH	16,702,180	21,879,023	21,949,645	10,592,784	5,255,339
17	SPECIAL DEPOSITS	151,619	150,843	88,148	624,485	95,451
18	WORKING FUNDS	23,686,621	1,736,980	6,971,099	6,422,159	1,313,887
19	TEMPORARY CASH INVESTMENTS	246,817	5,271,660	-	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	279,612,609	275,129,430	273,843,434	229,204,072	196,227,829
21	RECEIVABLES FROM ASSOCIATED COMPANIES	329,730	287,743	228,666	499,343	692,965
22	MATERIALS AND SUPPLIES	129,453,709	158,083,828	151,700,407	195,670,307	200,321,204
23	GAS STORED UNDERGROUND-CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	16,958,242	10,702,056	12,994,119	7,028,041	7,148,887
26	OTHER CURRENT AND ACCRUED ASSETS	7,187,325	8,869,378	4,363,408	3,274,323	2,856,985
27	TOTAL CURRENT AND ACCRUED ASSETS	474,329,032	482,090,941	472,130,127	453,315,514	413,912,547
28	UNAMORTIZED DEBT EXPENSE	64,041,780	52,381,070	21,764,007	21,843,811	16,029,211
29	EXTRAORDINARY PROPERTY LOSSES	1,708,789	10,837,942	14,874,848	21,232,709	
30	PREL. SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
31	CLEARING ACCOUNTS	24,076	28,844	18,127	17,254	42,919
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	1,361,617-	1,862,429	5,293,847	4,671,745	4,915,980
34	ACCUMULATED DEFERRED INCOME TAXES	15,674,000	54,178,000	58,919,000	73,393,000	56,169,000
35	OTHER DEFERRED DEBITS	81,169,236	34,100,300	66,112,535	33,436,951	58,541,914
36	TOTAL DEFERRED DEBITS	161,257,164	153,366,585	166,982,364	204,595,470	137,699,024
37	TOTAL ASSETS AND OTHER DEBITS	$ 7,030,687,092	$ 6,287,594,528	$ 5,346,976,714	$ 4,797,115,240	$ 4,222,896,968
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 128,928,340	$ 116,848,974	$ 104,010,003	$ 93,832,151	$ 63,973,252
39	PREFERRED STOCK ISSUED	662,900,000	628,850,000	592,800,000	484,750,000	474,200,000
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	1,210,463,925	1,035,273,337	858,485,451	697,394,141	562,059,219
43	OTHER PAID-IN CAPITAL	334,222,230	333,744,079	333,744,079	333,744,079	333,744,513
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	14,447,457-	12,970,848-	11,733,534-	10,343,702-	10,599,505-
46	RETAINED EARNINGS	791,934,619	702,224,603	617,815,582	564,469,905	471,635,771
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	50,180,588	40,237,078	32,885,388	1,553,511	17,120,712
48	REACQUIRED CAPITAL STOCK	-	1,349,000-	2,378,000-	2,008,000-	2,002,000-
49	TOTAL PROPRIETARY CAPITAL	3,182,182,245	2,842,858,223	2,525,610,909	2,163,392,085	1,930,131,962
50	BONDS (LESS BONDS REACQUIRED)	2,129,751,000	2,089,996,000	1,779,333,000	1,744,185,000	1,418,283,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	570,127,872	377,973,035	238,300,000	154,600,000	199,600,000
53	NET UNAMORTIZED PREMIUM + DISCOUNT	1,548,166	1,951,375	1,834,832	2,933,673	4,727,289
54	TOTAL LONG TERM DEBT	2,701,427,038	2,449,920,410	2,017,467,832	1,901,718,673	1,622,610,289
55	NOTES PAYABLE	5,000,000	51,080,000	80,100,000	92,000,000	123,330,000
56	ACCOUNTS PAYABLE	214,804,855	198,383,636	197,075,539	193,607,675	177,922,456
57	PAYABLES TO ASSOCIATED COMPANIES	2,458,434	2,712,276	1,533,438	1,468,689	878,571
58	CUSTOMER DEPOSITS	7,740,695	6,551,721	5,648,481	4,980,980	4,701,898
59	TAXES ACCRUED	6,257,947	22,623,866	12,573,495	19,279,545	22,099,195
60	INTEREST ACCRUED	76,276,750	66,392,373	46,621,639	47,560,139	36,358,099
61	DIVIDENDS DECLARED	-	789-	-	-	-
62	TAX COLLECTIONS PAYABLE	6,112,126	8,287,354	8,670,682	8,333,773	7,160,195
63	OTHER CURRENT AND ACCRUED LIABILITIES	176,232,371	98,627,787	108,562,687	78,684,364	83,919,831
64	TOTAL CURRENT AND ACCRUED LIABILITIES	494,883,178	455,028,213	460,785,941	445,895,174	456,370,245
65	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	219,198,000	182,691,000	129,488,000	79,959,000	64,931,000
68	OTHER DEFERRED CREDITS	120,976,631	111,245,682	24,376,972	34,084,581	42,812,838
	ACCUMULATED DEFERRED INCOME TAXES:					
69	ACCELERATED AMORTIZATION	4,943,000	6,246,000	7,803,000	9,015,000	10,482,000
70	LIBERALIZED DEPRECIATION	221,263,000	178,286,000	124,391,000	100,485,000	70,224,000
71	OTHER	86,824,000	61,340,000	57,253,000	62,514,000	25,076,000
72	TOTAL DEFERRED CREDITS	652,204,631	539,787,682	343,111,972	286,057,581	213,525,838
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	-	-	-	-	-
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	51,727	258,634
77	TOTAL OPERATING RESERVES	-	-	-	51,727	258,634
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 7,030,687,092	$ 6,287,594,528	$ 5,346,976,714	$ 4,797,115,240	$ 4,222,896,968

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

NIAGARA MOHAWK POWER CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 598,538,409 $	661,076,361 $	608,586,699 $	533,121,959 $	430,785,289	1
OPERATION AND MAINTENANCE EXPENSE	479,835,448	524,836,113	497,609,707	434,083,401	343,430,714	2
DEPRECIATION EXPENSE	12,728,228	12,220,806	11,738,078	11,298,749	10,437,270	3
AMORTIZATION	289,280	408,557	579,185	909,713	527,601	4
TAXES OTHER THAN INCOME TAXES	50,603,748	50,980,287	47,457,799	42,905,131	40,583,870	5
INCOME TAXES	4,818,724	22,628,526	10,200,140	3,575,445	2,818,000	6
PROVISION FOR DEFERRED INCOME TAXES	14,359,000	13,595,000	15,468,000	24,982,000	9,360,000	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	7,799,000-	17,886,000-	16,490,000-	10,377,000-	9,583,000-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	554,815,406	606,764,291	566,560,907	507,355,439	397,574,455	12
NET OPERATING REVENUES	43,721,003	44,312,070	42,025,792	25,766,520	33,210,834	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	43,721,003	44,312,070	42,025,792	25,766,520	33,210,834	15
OTHER UTILITY OPERATING INCOME	361,070,941	342,814,893	307,156,362	285,043,640	233,570,007	16
TOTAL UTILITY OPERATING INCOME	404,791,944	387,126,963	349,182,154	310,810,160	266,780,841	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	35,537-	129,792-	239,022-	102,379-	115,199-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	11,580,528	9,356,690	9,876,212	11,193,464	7,201,554	21
INTEREST AND DIVIDEND INCOME	44,680,643	18,115,060	8,550,048	1,678,856	898,087	22
ALLOWANCE FOR CONSTRUCTION FUNDS	187,318,403	161,498,650	117,792,939	94,736,294	71,889,693	23
MISCELLANEOUS NONOPERATING INCOME	2,794,120	1,762,009-	3,221,927	9,447,414	9,601,870	24
GAIN ON DISPOSITION OF PROPERTY	881,265	815,351	72,752	4,430,444	20,148	25
TOTAL OTHER INCOME	247,177,422	187,891,950	139,274,856	121,384,093	89,494,153	26
TOTAL INCOME	651,969,366	575,018,913	488,457,010	432,194,253	356,274,994	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	1,201,739	963,295	641,006	673,859	785,315	28
INCOME TAXES-NONOPERATING	28,454,447-	32,521,970-	29,023,373-	23,922,600-	19,548,000-	29
LOSS ON DISPOSITION OF PROPERTY	128,278	75,605	83,985	25,384	68,573	30
MISCELLANEOUS AMORTIZATION	427,091	533,411	552,649	554,300	542,226	31
MISCELLANEOUS INCOME DEDUCTIONS	2,035,414-	9,161,777	1,924,039	6,969,732	1,898,865	32
TOTAL INCOME DEDUCTIONS	26,734,755-	21,787,882-	25,821,694-	15,699,325-	16,253,031-	33
INCOME BEFORE INTEREST CHARGES	678,704,121	596,806,795	514,278,704	447,893,578	372,528,025	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	256,834,343	221,703,684	187,761,814	155,283,815	130,274,274	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	4,312,187	3,259,588	2,122,018	1,711,891	1,400,614	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	354,673-	385,659-	380,972-	428,474-	404,673-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	1,354,840	-	-	-	38
OTHER INTEREST EXPENSE	6,482,230	11,120,490	12,366,894	22,790,209	20,613,824	39
TOTAL INTEREST CHARGES	267,274,087	237,072,941	201,869,754	179,359,441	151,884,039	40
INCOME BEFORE EXTRAORDINARY ITEMS	411,430,034	359,733,854	312,408,950	268,534,137	220,643,986	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 411,430,034 $	359,733,854 $	312,408,950 $	268,534,137 $	220,643,986	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 701,526,370 $	617,117,349 $	563,771,672 $	470,937,538 $	418,968,245	47
BALANCE TRANSFERRED FROM INCOME	401,488,524	352,382,164	304,457,738	280,740,673	214,035,581	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	59,559,323	51,460,031	42,108,640	37,585,718	34,2[illegible],072	50
-COMMON STOCK	252,217,185	216,493,112	185,642,756	153,681,488	127,781,216	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	23,360,686-	23,360,685	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	791,238,386	701,526,370	617,117,349	563,771,672	470,937,538	53
APPROPRIATED RETAINED EARNINGS	698,233	698,233	698,233	698,233	698,233	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	50,180,588	40,237,078	32,865,388	1,553,511	17,120,712	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 842,115,207 $	742,461,681 $	650,680,970 $	566,023,416 $	488,756,483	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.86	0.76	0.77	0.83	0.97	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	3.24	2.83	2.65	2.59	2.54	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	2.70	2.34	2.21	2.19	2.22	59
CURRENT ASSETS / BY CURRENT LIABILITIES	0.96	1.06	1.02	1.02	0.91	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	45.9	46.2	44.4	46.7	45.6	61
PREFERRED STOCK	11.6	11.8	13.0	11.9	13.3	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	29.0	28.5	28.9	27.4	27.7	63
RETAINED EARNINGS	13.4	13.2	13.5	13.8	13.2	64
LONG-TERM DEBT % OF GROSS UTILITY PLANT	35.5	35.6	32.9	34.7	32.8	65
% OF NET UTILITY PLANT	45.1	45.5	43.8	46.8	44.9	66
ACCUM PROVISION FOR DEPR % OF UTILITY PLT	21.2	21.6	24.8	25.9	26.9	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES - % OF TOTAL OPERATING REVENUES	22.3	23.5	23.2	22.4	20.1	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	80.1	80.6	81.7	81.4	79.7	69
GAS DEPRECIATION AND AMORTIZATION	2.1	1.9	2.0	2.2	2.5	70
TOTAL INCOME TAXES-GAS, OPERATING	1.9	2.8	1.5	3.4	0.6	71
OTHER TAXES-GAS, OPERATING	8.4	7.8	7.7	8.0	9.4	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	92.6	93.1	93.0	95.1	92.2	74
GAS OPERATING INCOME	7.3	6.8	6.9	4.8	7.7	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	2.4	2.5	2.5	2.6	2.5	76
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	10.0	8.6	7.7	7.5	7.1	77
PRETAX INTEREST COVERAGE	3.1	3.1	2.9	2.9	2.6	78
NET INCOME-PERCENT OF OPERATING REVENUES	15.3	12.9	11.9	11.3	10.3	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	2.2	1.8	1.6	1.5	1.6	80
TIMES EARNED	6.9	7.0	7.4	7.1	6.4	81
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	9.4	7.8	7.0	6.4	5.9	82
% OF EARNINGS AVAILABLE FOR COMMON	71.8	70.2	68.6	66.5	68.5	83
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	14.9	14.8	14.9	14.7	13.5	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.7	10.4	10.2	9.8	9.2	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

LINE NO			1985		1984		1983		1982		1981
	FUNDS PROVIDED										
	INTERNAL SOURCES										
1	INCOME BEFORE EXTRAORDINARY ITEMS	$	411,430,034	$	359,733,854	$	312,408,950	$	208,534,137	$	220,643,988
	NON-CASH CHARGES(CREDITS) TO INCOME										
2	DEPRECIATION, DEPLETION, AND AMORTIZATION		149,870,076		140,380,300		126,765,149		120,700,234		101,883,311
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		141,208,000		116,264,000		80,850,259		68,900,015		19,733,595
4	INTEREST CAPITALIZED		187,318,403-		161,496,650-		117,792,939-		34,736,294-		71,889,693-
5	OTHER (NET)		9,160,215		8,256,386		1,979,757		1,773,379		30,225,078
6											
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS		524,349,922		463,137,890		404,211,176		365,171,471		300,576,277
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES		-		-						
9	TOTAL FUNDS FROM INTERNAL SOURCES		524,349,922		463,137,890		404,211,176		365,171,471		300,576,277
10	LESS DIVIDENDS: PREFERRED		59,559,323		51,460,031		42,108,640		37,585,718		34,285,072
11	COMMON		252,217,185		216,493,112		185,642,756		153,681,486		127,781,216
12	NET FUNDS FROM INTERNAL SOURCES		212,573,414		195,184,747		176,459,780		173,904,267		138,509,989
	EXTERNAL SOURCES										
13	LONG TERM DEBT		425,480,502		409,713,713		289,900,000		316,578,207		186,650,000
14	PREFERRED STOCK		75,000,000		50,000,000		120,000,000		20,000,000		58,000,000
15	COMMON STOCK		185,269,954		189,626,857		171,269,162		145,193,821		101,312,579
16	NET INCREASE IN SHORT TERM DEBT		-		-		-		-		
17	OTHER (NET)		-		-		-		-		30,000
18											
19	TOTAL FUNDS FROM EXTERNAL SOURCES		685,750,456		649,340,570		581,169,162		481,772,028		345,992,579
20	OTHER SOURCES (NET)		93,666,874		13,331,459		7,976,154				53,082,213
21											
22											
23	TOTAL FUNDS PROVIDED	$	991,990,744	$	857,856,776	$	765,605,096	$	655,676,295	$	537,584,781
	FUNDS APPLIED										
	CONSTRUCTION EXPENDITURES										
	GROSS ADDITIONS										
24	GAS PLANT	$	20,911,143	$	41,001,891	$	31,872,767	$	32,609,895	$	32,941,748
25	LIQUEFIED NATURAL GAS PLANT		-		-		-		-		-
26	NON-UTILITY		-		-		-		-		-
27	OTHER		745,766,154		743,692,749		643,863,293		559,285,410		423,755,715
28	TOTAL GROSS ADDITIONS		766,677,297		784,694,640		675,736,060		591,895,305		456,697,463
29	LESS INTEREST CAPITALIZED		187,318,403		161,496,650		117,792,939		34,736,294		71,889,693
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		579,358,894		623,197,990		557,943,121		557,159,011		384,807,770
	RETIREMENT OF DEBT AND SECURITIES										
31	LONG TERM DEBT		178,195,000		30,732,000		173,052,000		65,428,000		140,280,000
32	PREFERRED STOCK		19,601,000		12,923,000		12,318,000		9,456,000		8,676,000
33	REDEMPTION OF CAPITAL STOCK		-		-		-		-		-
34	NET DECREASE IN SHORT TERM DEBT		46,050,000		29,050,000		11,900,000		15,000,000		-
35	OTHER (NET)		-		-		-		-		-
36											
37	TOTAL RETIREMENT OF DEBT AND SECURITIES		243,846,000		72,705,000		197,270,000		89,884,000		148,956,000
38	OTHER USES (NET)		168,785,850		161,953,786		10,391,975		8,633,284		3,821,011
39											
40											
41	TOTAL FUNDS APPLIED	$	991,990,744	$	857,856,776	$	765,605,096	$	655,676,295	$	537,584,781

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
GAS OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 295,060,661	$ 313,535,868	$ 304,157,282	$ 264,746,653	$ 222,280,182	1
COMMERCIAL AND INDUSTRIAL	281,196,549	313,776,415	284,913,230	249,686,647	192,063,483	2
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	576,257,210	627,312,283	589,070,512	514,433,300	414,343,665	5
RESALE	18,691,098	19,708,076	15,783,044	15,418,357	13,794,834	6
TOTAL REVENUES FROM SALES OF GAS	594,948,308	647,020,359	604,853,556	529,851,657	428,138,499	7
OTHER GAS OPERATING REVENUES	3,588,103	4,056,002	3,733,143	3,270,302	2,646,790	8
TOTAL GAS OPERATING REVENUES	$ 598,536,409	$ 651,076,361	$ 608,586,699	$ 533,121,959	$ 430,785,289	9
GAS SALES (MCF)						
RESIDENTIAL	46,039,707	48,170,140	45,588,040	49,629,234	50,292,376	10
COMMERCIAL AND INDUSTRIAL	54,687,280	58,995,226	51,223,226	53,208,433	51,719,520	11
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	100,726,987	107,165,366	96,811,266	102,837,667	102,011,896	14
RESALE	4,740,301	4,663,657	3,532,135	3,867,297	4,755,410	15
TOTAL GAS SALES	105,467,288	111,829,023	100,343,401	106,704,964	106,767,306	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	404,116	400,878	398,596	396,729	393,182	17
COMMERCIAL AND INDUSTRIAL	33,088	32,609	32,222	31,722	31,094	18
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	437,204	433,487	430,818	428,451	424,276	21
RESALE	2	2	2	2	2	22
TOTAL CUSTOMERS	437,206	433,489	430,820	428,453	424,278	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 730.14	$ 782.12	$ 763.07	$ 667.32	$ 565.34	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	114	120	114	125	128	25
AVERAGE REVENUE PER MCF SOLD	$ 6.41	$ 6.51	$ 6.67	$ 5.33	$ 4.42	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 8,498.45	$ 9,622.39	$ 8,842.20	$ 7,871.09	$ 6,176.87	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	1,653	1,809	1,590	1,677	1,663	28
AVERAGE REVENUE PER MCF SOLD	$ 5.14	$ 5.32	$ 5.56	$ 4.69	$ 3.71	29
GAS OPERATION AND MAINTENANCE EXPENSES						
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	-	-	-	-	-	31
NATURAL GAS						
PRODUCTION AND GATHERING	12,101	15,142	24,282	24,497	33,022	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	411,801,291	452,960,630	432,897,407	377,595,659	292,863,311	35
OTHER	1,888	9,796	20,052	19,148	22,075	36
TOTAL PRODUCTION EXPENSE	411,815,280	452,985,568	432,941,741	377,639,304	292,918,408	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	-	-	-	-	-	41
DISTRIBUTION EXPENSES	25,745,986	25,371,702	26,726,426	23,764,095	21,728,413	42
CUSTOMER ACCOUNTS EXPENSES	11,957,136	12,026,857	11,471,101	9,463,187	7,953,241	43
SALES EXPENSES	1,810,817	1,569,697	1,201,471	1,102,521	1,122,858	44
ADMINISTRATIVE AND GENERAL EXPENSES	28,506,230	32,882,289	25,268,968	22,114,294	19,707,794	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 479,835,448	$ 524,836,113	$ 497,609,707	$ 434,083,401	$ 343,430,714	46
GAS UTILITY PLANT*						
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	-	-	-	-	-	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	-	-	-	-	-	50
NATURAL GAS PLANT	2,137,158	2,284,317	2,548,092	2,834,461	3,455,209	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	511,546,650	488,325,347	467,450,460	442,114,316	412,592,415	56
GENERAL PLANT	4,311,445	4,018,449	3,758,504	4,448,772	4,606,275	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	517,995,253	494,628,113	473,757,056	449,397,549	420,653,899	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	8,654,322	8,836,288	7,318,324	8,917,765	11,264,674	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	526,649,575	503,464,401	481,075,380	458,315,314	431,918,573	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	138,753,482	130,695,873	121,899,825	115,033,556	107,199,962	67
NET GAS UTILITY PLANT	$ 387,896,093	$ 372,768,528	$ 359,175,555	$ 343,281,758	$ 324,718,611	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 494,628,113	$ 473,757,056	$ 449,397,549	$ 420,653,899	$ 390,237,312	69
ADDITIONS	27,321,915	24,204,649	28,527,848	31,541,730	33,358,498	70
RETIREMENTS	3,955,479	3,342,908	3,831,111	2,809,762	2,950,474	71
TRANSFERS AND ADJUSTMENTS	704	9,316	337,230-	11,682	8,563	72
PLANT IN SERVICE END OF YEAR	$ 517,995,253	$ 494,628,113	$ 473,757,056	$ 449,397,549	$ 420,653,899	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 598,536,409	$ 651,076,361	$ 608,586,699	$ 533,121,959	$ 430,785,299
2	SALES (MCF)	105,467,288	111,829,023	100,343,401	106,704,964	106,767,308
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 411,803,179	$ 452,970,426	$ 432,917,459	$ 377,614,807	$ 292,885,386
4	WAGES AND BENEFITS	46,816,632	45,344,611	44,474,199	39,642,231	36,120,067
5	OTHER OPERATION AND MAINTENANCE EXPENSES	21,215,637	26,521,078	20,218,049	16,826,363	14,425,261
6	DEPRECIATION AND AMORTIZATION EXPENSES	12,997,486	12,629,365	12,315,281	12,206,462	10,964,871
7	INCOME TAXES - OPERATING	11,378,724	18,338,526	9,178,140	18,160,445	2,595,000
8	OTHER TAXES - OPERATING	50,603,748	50,960,287	47,457,799	42,905,131	40,583,870
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	21,319,337	18,867,553	16,083,643	16,113,156	11,727,300
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	3,890,297	3,603,088	3,315,646	3,223,376	2,427,390
11	EARNINGS AVAILABLE FOR COMMON EQUITY	18,511,368	21,841,431	22,626,503	6,429,988	19,056,144
12	TOTAL	$ 598,536,409	$ 651,076,361	$ 608,586,699	$ 533,121,959	$ 430,785,289
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	68.8	69.6	71.1	70.8	68.0
14	WAGES AND BENEFITS	7.8	7.0	7.3	7.4	8.4
15	OTHER OPERATION AND MAINTENANCE EXPENSES	3.5	4.1	3.3	3.2	3.3
16	DEPRECIATION AND AMORTIZATION EXPENSES	2.2	1.9	2.0	2.3	2.5
17	INCOME TAXES - OPERATING	1.9	2.8	1.5	3.4	0.6
18	OTHER TAXES - OPERATING	8.5	7.8	7.8	8.0	9.4
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	3.6	2.9	2.6	3.0	2.7
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.6	0.5	0.6	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	3.1	3.4	3.7	1.2	4.4
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.90	$ 4.05	$ 4.31	$ 3.54	$ 2.74
24	WAGES AND BENEFITS	0.44	0.41	0.44	0.37	0.34
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.20	0.24	0.20	0.16	0.14
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.12	0.11	0.12	0.11	0.10
27	INCOME TAXES - OPERATING	0.11	0.16	0.09	0.17	0.02
28	OTHER TAXES - OPERATING	0.48	0.46	0.47	0.40	0.38
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.20	0.17	0.16	0.15	0.11
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.04	0.03	0.03	0.03	0.02
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.18	0.20	0.23	0.06	0.18
32	TOTAL	$ 5.68	$ 5.82	$ 6.07	$ 5.00	$ 4.03
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	6.58	7.08	7.94	8.61	9.14

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 114,489,418	$ 105,147,084	$ 98,607,613	$ 94,745,813	$ 88,691,979
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	36,644,293	31,991,365	27,142,185	23,714,433	20,379,373
3	NET GAS UTILITY PLANT	77,845,125	73,155,719	71,465,428	71,031,380	68,312,606
4	OTHER UTILITY PLANT	543,241,354	513,181,776	488,598,840	472,355,953	491,693,744
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	168,472,201	156,154,139	142,840,296	130,918,620	118,991,902
6	NET OTHER UTILITY PLANT	374,769,153	357,027,637	345,758,544	341,437,333	372,701,842
7	TOTAL UTILITY PLANT	657,730,772	618,328,860	587,206,453	567,101,766	580,385,723
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	205,116,494	188,145,504	169,982,481	154,633,053	139,371,275
9	NET TOTAL UTILITY PLANT	452,614,278	430,183,356	417,223,972	412,468,713	441,014,448
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	83,506	91,038	79,279	109,628	125,123
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	61,225,798	56,283,544	54,491,112	47,812,100	41,640,050
13	OTHER INVESTMENTS	1	1	1	1	736
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	61,309,305	56,374,583	54,570,392	47,921,729	41,766,909
16	CASH	4,823,254	2,301,871	993,950	1,061,712	783,206
17	SPECIAL DEPOSITS	566,228	259,063	177,063	109,772	3,244
18	WORKING FUNDS	104,862	39,214	69,289	66,616	103,105
19	TEMPORARY CASH INVESTMENTS	-	8,970,161	-	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	34,982,563	37,984,287	37,725,767	30,654,162	29,401,839
21	RECEIVABLES FROM ASSOCIATED COMPANIES	7,764,500	8,531,675	7,395,243	9,501,406	8,349,752
22	MATERIALS AND SUPPLIES	17,662,295	18,773,090	14,079,489	18,257,634	16,893,172
23	GAS STORED UNDERGROUND-CURRENT	5,133,059	3,776,418	3,313,349	4,184,338	1,399,001
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	14,062,863	13,484,305	12,921,909	32,853,218	25,206,890
26	OTHER CURRENT AND ACCRUED ASSETS	33,639,381	28,543,641	22,503,071	15,667,909	14,755,063
27	TOTAL CURRENT AND ACCRUED ASSETS	118,740,996	120,664,325	99,179,720	112,376,767	96,895,271
28	UNAMORTIZED DEBT EXPENSE	4,686,684	3,408,082	2,129,365	2,437,492	1,524,373
29	EXTRAORDINARY PROPERTY LOSSES	34,850,943	36,685,577	36,544,953	33,344,800	205,636
30	PREL. SURVEY + INVESTIGATION CHARGES	546,860	682,637	600,246	535,247	205,941
31	CLEARING ACCOUNTS	1,718	-	84	-	-
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	290,191-	556,936-	77,418-	116,252	56,473
34	ACCUMULATED DEFERRED INCOME TAXES	1,148,149	526,738	257,842	272,278	375,532
35	OTHER DEFERRED DEBITS	12,567,184	13,778,170	18,332,864	22,287,669	20,720,996
36	TOTAL DEFERRED DEBITS	53,511,347	54,524,256	59,787,926	58,993,728	23,090,951
37	TOTAL ASSETS AND OTHER DEBITS	$ 686,175,926	$ 660,746,532	$ 630,762,010	$ 631,760,935	$ 602,766,579
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 63,130,810	$ 63,112,085	$ 61,525,110	$ 58,867,065	$ 56,308,080
39	PREFERRED STOCK ISSUED	60,322,164	61,790,087	61,823,492	61,911,062	62,018,234
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	106,806,316	105,743,632	100,633,616	93,408,810	88,039,303
43	OTHER PAID-IN CAPITAL	-	-	-	-	-
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	5,848,720-	5,804,508-	5,748,418-	5,623,736-	5,502,897-
46	RETAINED EARNINGS	66,807,220	64,868,456	56,842,734	49,932,452	44,378,181
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	35,000,717	30,960,464	30,168,132	26,489,120	22,217,070
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	325,218,506	320,660,226	304,244,866	285,044,774	267,457,971
50	BONDS (LESS BONDS REACQUIRED)	170,000,000	170,000,000	170,000,000	178,000,000	188,000,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	25,057,702	18,926,290	6,237,125	5,341,680	55,550
53	NET UNAMORTIZED PREMIUM + DISCOUNT	285,827-	39,940	591,726	602,261	834,184
54	TOTAL LONG TERM DEBT	194,771,875	188,966,230	176,828,851	183,943,941	188,889,734
55	NOTES PAYABLE	4,500,000	-	11,500,000	14,000,000	8,100,000
56	ACCOUNTS PAYABLE	42,738,124	42,297,507	31,919,090	34,600,107	37,689,226
57	PAYABLES TO ASSOCIATED COMPANIES	312,179	783,151	421,401	1,905,745	739,037
58	CUSTOMER DEPOSITS	2,054,542	1,914,025	1,837,682	1,777,310	2,016,234
59	TAXES ACCRUED	3,173,533	3,395,856	17,422,533	37,866,841	25,829,897
60	INTEREST ACCRUED	5,006,474	4,989,869	5,431,863	5,512,364	6,342,395
61	DIVIDENDS DECLARED	1,002,799	1,002,799	1,002,799	1,002,799	1,002,799
62	TAX COLLECTIONS PAYABLE	332,310	275,987	271,643	301,788	343,147
63	OTHER CURRENT AND ACCRUED LIABILITIES	19,036,363	16,197,309	16,073,813	4,237,036	4,479,131
64	TOTAL CURRENT AND ACCRUED LIABILITIES	78,156,314	70,836,493	85,880,824	101,205,989	86,541,866
65	CUSTOMER ADVANCES FOR CONSTRUCTION	755,943	671,478	541,252	403,916	473,266
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	15,784,513	13,081,388	11,418,396	10,338,353	8,462,948
68	OTHER DEFERRED CREDITS	11,386,288	11,851,743	6,295,537	8,269,849	10,890,993
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	1,067,328	988,273	1,106,521	1,224,769	1,343,017
70	LIBERALIZED DEPRECIATION	34,138,101	28,487,700	23,672,900	19,238,551	15,675,343
71	OTHER	22,693,668	24,867,201	18,493,589	20,499,918	21,951,732
72	TOTAL DEFERRED CREDITS	85,802,829	79,957,783	61,528,295	59,973,356	58,817,299
73	PROPERTY INSURANCE RESERVE	445,921	484,474	484,474	520,860	520,860
74	INJURIES AND DAMAGE RESERVES	1,553,326	1,713,628	1,787,990	1,143,156	692,641
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	227,155	127,698	6,710	71,141-	153,792-
77	TOTAL OPERATING RESERVES	2,226,402	2,325,800	2,279,174	1,592,875	1,059,709
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 686,175,926	$ 660,746,532	$ 630,762,010	$ 631,760,935	$ 602,766,579

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

ORANGE AND ROCKLAND UTILITIES, INC

ITEM	1985	1984	1983	1982	1981	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 137,930,444	$ 141,702,426	$ 150,512,412	$ 132,249,902	$ 109,688,283	1
OPERATION AND MAINTENANCE EXPENSE	109,658,519	111,562,848	126,438,224	108,471,898	90,165,761	2
DEPRECIATION EXPENSE	4,321,888	4,648,470	3,941,456	3,883,085	2,981,191	3
AMORTIZATION	944,238	750,507	142,786	169,642	41,750	4
TAXES OTHER THAN INCOME TAXES	12,849,060	12,816,864	11,477,013	9,739,021	8,132,891	5
INCOME TAXES	2,608,143	981,521-	3,455,693	408,431	1,708,895	6
PROVISION FOR DEFERRED INCOME TAXES	2,446,800	6,986,237	1,798,600	2,789,840	92,400	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	1,757,883-	2,004,931-	2,859,486-	255,475-	105,004-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	131,160,745	133,788,474	144,394,288	125,206,442	102,955,890	12
NET OPERATING REVENUES	6,769,699	7,913,952	6,118,124	7,043,460	6,732,393	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	6,769,699	7,913,952	6,118,124	7,043,460	6,732,393	15
OTHER UTILITY OPERATING INCOME	41,274,560	41,571,111	39,307,741	36,518,017	31,538,989	16
TOTAL UTILITY OPERATING INCOME	48,044,259	49,485,063	45,425,865	43,561,477	38,271,382	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	11,619-	649	1,302-	656-	269-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	4,040,253	1,578,332	4,463,012	5,056,050	3,981,422	21
INTEREST AND DIVIDEND INCOME	669,188	698,881	2,164,583	2,684,150	474,683	22
ALLOWANCE FOR CONSTRUCTION FUNDS	1,643,130	3,389,108	2,698,415	1,818,656	4,906,546	23
MISCELLANEOUS NONOPERATING INCOME	170,188-	90,622-	169,783-	185,014-	140,124-	24
GAIN ON DISPOSITION OF PROPERTY	204,834	20,710	58,134	41,775	2,848	25
TOTAL OTHER INCOME	6,375,600	5,595,058	9,213,059	9,394,961	9,207,106	26
TOTAL INCOME	54,419,859	55,080,121	54,638,924	52,956,438	47,478,488	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	38,086	29,249	24,487	31,945	44,877	28
INCOME TAXES-NONOPERATING	1,434,944-	2,893,783-	678,475-	300,476	860,227-	29
LOSS ON DISPOSITION OF PROPERTY	43	-	875	-	69	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	439,908	317,562	378,756	195,278	130,622	32
TOTAL INCOME DEDUCTIONS	958,927-	2,546,972-	272,358-	527,699	684,659-	33
INCOME BEFORE INTEREST CHARGES	55,378,786	57,627,093	54,911,282	52,428,739	48,161,147	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	14,157,366	17,297,740	16,892,331	14,781,702	14,263,907	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	179,753	382,757	348,127	208,046	139,733	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	46,369-	46,369-	50,528-	51,923-	54,966-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	1,330,736	1,294,074	1,619,812	3,365,560	3,440,239	39
TOTAL INTEREST CHARGES	15,621,486	18,908,202	18,809,735	18,302,885	17,788,913	40
INCOME BEFORE EXTRAORDINARY ITEMS	39,757,300	38,718,891	36,101,547	34,125,854	30,372,234	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 39,757,300	$ 38,718,891	$ 36,101,547	$ 34,125,854	$ 30,372,234	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 64,858,456	$ 55,842,734	$ 49,992,452	$ 44,378,181	$ 39,553,928	47
BALANCE TRANSFERRED FROM INCOME	35,717,047	37,928,559	32,422,535	29,853,804	27,194,812	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	4,284,380	4,287,709	4,290,048	4,295,717	4,301,386	50
-COMMON STOCK	26,388,024	24,623,128	22,282,205	19,943,816	18,069,201	51
ADJUSTMENTS TO RETAINED EARNINGS	3,097,899-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	66,807,220	64,858,456	55,842,734	49,992,452	44,378,181	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	35,000,717	30,960,484	30,168,132	26,489,120	22,217,070	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 101,807,937	$ 95,818,920	$ 86,010,866	$ 76,481,572	$ 66,595,251	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.80	0.72	0.64	0.68	0.78	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	1.56	1.40	1.44	1.53	1.68	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	1.34	1.21	1.19	1.29	1.43	59
CURRENT ASSETS / BY CURRENT LIABILITIES	1.52	1.70	1.15	1.11	1.12	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	37.4	36.8	36.7	36.2	41.3	61
PREFERRED STOCK	11.8	12.1	12.8	13.2	13.5	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	38.0	38.2	38.7	39.8	35.5	63
RETAINED EARNINGS	12.8	12.7	11.8	10.8	9.7	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	29.6	30.2	30.1	32.4	32.5	65
% OF NET UTILITY PLANT	43.0	43.4	42.3	44.5	42.8	66
ACCUM PROVISION FOR DEPR.: % OF UTILITY PLT	31.1	30.4	28.9	27.2	24.0	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	28.9	28.3	31.0	29.6	27.8	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	79.5	78.7	84.0	82.0	82.2	69
GAS DEPRECIATION AND AMORTIZATION	3.8	3.8	2.7	3.0	2.7	70
TOTAL INCOME TAXES-GAS, OPERATING	2.4	2.8	1.5	2.2	1.4	71
OTHER TAXES-GAS, OPERATING	9.3	9.0	7.6	7.3	7.4	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	95.0	94.4	95.9	94.6	93.8	74
GAS OPERATING INCOME	4.9	5.5	4.0	5.3	6.1	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	4.5	5.1	4.1	4.2	3.4	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	3.3	3.8	3.9	4.1	4.5	77
PRETAX INTEREST COVERAGE	5.3	4.5	4.2	4.0	3.4	78
NET INCOME-PERCENT OF OPERATING REVENUES	8.3	7.7	7.4	7.6	7.7	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.8	0.8	0.8	0.9	1.0	80
TIMES EARNED	9.3	9.0	8.4	7.9	7.1	81
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	5.5	4.9	4.5	4.4	4.5	82
% OF EARNINGS AVAILABLE FOR COMMON	74.3	71.5	70.0	66.8	69.3	83
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	13.5	13.7	13.8	13.9	13.1	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.0	9.8	9.5	9.3	9.0	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC.

LINE NO			1985		1984		1983		1982		1981
	FUNDS PROVIDED										
	INTERNAL SOURCES										
1	INCOME BEFORE EXTRAORDINARY ITEMS	$	39,757,300	$	38,718,891	$	36,701,547	$	34,125,854	$	30,372,234
	NON-CASH CHARGES(CREDITS) TO INCOME										
2	DEPRECIATION, DEPLETION, AND AMORTIZATION		19,817,904		19,898,524		17,359,835		17,281,031		16,538,468
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		5,625,625		12,474,180		3,406,349		7,582,686		5,227,412
4	INTEREST CAPITALIZED		1,643,130-		3,389,108-		2,698,415-		1,818,656-		4,906,546-
5	OTHER (NET):		4,865,769		5,408,828		3,102,332		1,282,136		-
6											
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS		68,423,468		73,111,295		57,871,648		58,453,051		47,231,568
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES		-		-		-		-		-
9	TOTAL FUNDS FROM INTERNAL SOURCES		68,423,468		73,111,295		57,871,648		58,453,051		47,231,568
10	LESS DIVIDENDS PREFERRED		4,284,360		4,287,709		4,290,048		4,295,717		4,301,356
11	COMMON		26,386,024		24,623,128		22,282,205		19,943,816		18,069,201
12	NET FUNDS FROM INTERNAL SOURCES		37,753,084		44,200,458		31,299,395		34,213,518		24,861,011
	EXTERNAL SOURCES										
13	LONG TERM DEBT		8,808,554		11,043,738		913,613		5,302,312		11,139
14	PREFERRED STOCK		-		-		-		-		-
15	COMMON STOCK		81,398		6,696,801		9,883,051		7,928,492		5,101,380
16	NET INCREASE IN SHORT TERM DEBT		4,500,000		-		-		5,900,000		8,100,000
17	OTHER (NET)		-		-		-		7,018,070		-
18											
19	TOTAL FUNDS FROM EXTERNAL SOURCES		13,389,952		17,740,539		10,796,664		26,148,874		13,212,519
20	OTHER SOURCES (NET)		4,743,150		5,336,411		371,882		-		10,286,650
21											
22											
23	TOTAL FUNDS PROVIDED	$	55,886,186	$	67,277,408	$	42,467,941	$	60,362,392	$	48,360,180
	FUNDS APPLIED										
	CONSTRUCTION EXPENDITURES										
	GROSS ADDITIONS										
24	GAS PLANT	$	9,584,211	$	6,770,393	$	4,259,737	$	6,432,452	$	6,710,594
25	LIQUEFIED NATURAL GAS PLANT		-		-		-		-		-
26	NON-UTILITY		17,951		34,625		-		2,164		13,699
27	OTHER		33,225,774		26,944,584		19,032,649		27,040,429		34,349,355
28	TOTAL GROSS ADDITIONS		42,827,936		33,749,602		23,292,386		33,475,045		41,073,648
29	LESS INTEREST CAPITALIZED		1,643,130		3,389,108		2,698,415		1,818,656		4,906,546
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		41,184,806		30,360,494		20,593,971		31,656,389		36,167,102
	RETIREMENT OF DEBT AND SECURITIES										
31	LONG TERM DEBT		677,142		354,573		8,018,168		10,016,182		6,013,828
32	PREFERRED STOCK		1,467,923		33,405		87,570		107,172		137,585
33	REDEMPTION OF CAPITAL STOCK		-		-		-		-		-
34	NET DECREASE IN SHORT TERM DEBT		-		11,500,000		2,500,000		-		-
35	OTHER (NET)		-		-		-		-		-
36											
37	TOTAL RETIREMENT OF DEBT AND SECURITIES		2,145,065		11,887,978		10,605,738		10,123,354		6,151,413
38	OTHER USES (NET)		12,556,315		25,028,936		11,268,232		18,582,649		6,041,665
39											
40											
41	TOTAL FUNDS APPLIED	$	55,886,186	$	67,277,408	$	42,467,941	$	60,362,392	$	48,360,180

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO.
		GAS OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 76,442,814	$ 76,294,341	$ 85,964,587	$ 71,014,172	$ 57,302,418	1
COMMERCIAL AND INDUSTRIAL	57,307,389	61,582,662	61,195,028	58,276,278	48,421,646	2
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	3
INTERDEPARTMENTAL	71,395	95,380	98,773	98,518	73,830	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	133,821,598	137,972,383	147,258,388	129,388,968	105,797,894	5
RESALE	2,913,077	2,498,445	2,875,650	2,360,090	3,520,732	6
TOTAL REVENUES FROM SALES OF GAS	136,734,675	140,470,828	150,134,038	131,749,058	109,318,626	7
OTHER GAS OPERATING REVENUES	1,195,769	1,231,598	378,374	500,844	369,657	8
TOTAL GAS OPERATING REVENUES	$ 137,930,444	$ 141,702,426	$ 150,512,412	$ 132,249,902	$ 109,688,283	9
GAS SALES (MCF)						
RESIDENTIAL	11,999,286	12,231,490	11,937,992	12,217,137	12,241,119	10
COMMERCIAL AND INDUSTRIAL	10,285,685	10,984,027	10,009,024	11,152,998	11,664,255	11
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	12
INTERDEPARTMENTAL	16,112	22,167	20,178	23,463	22,610	13
TOTAL SALES TO ULTIMATE CONSUMERS	22,301,083	23,237,684	21,967,194	23,393,598	23,927,984	14
RESALE	636,109	607,364	591,690	543,160	1,120,949	15
TOTAL GAS SALES	22,937,192	23,845,048	22,558,884	23,936,758	25,048,933	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	85,817	83,946	82,569	81,332	79,975	17
COMMERCIAL AND INDUSTRIAL	7,623	7,289	7,021	6,789	6,550	18
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	19
INTERDEPARTMENTAL	1	1	1	1	1	20
TOTAL ULTIMATE CONSUMERS	93,441	91,236	89,591	88,122	86,526	21
RESALE	2	2	2	3	4	22
TOTAL CUSTOMERS	93,443	91,238	89,593	88,125	86,530	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 890.77	$ 908.85	$1,041.12	$ 873.14	$ 716.50	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	140	146	145	150	153	25
AVERAGE REVENUE PER MCF SOLD	$ 6.37	$ 6.24	$ 7.20	$ 5.81	$ 4.68	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 7,517.70	$ 8,448.71	$ 8,716.00	$ 8,584.22	$ 7,392.62	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	1,349	1,507	1,426	1,643	1,781	28
AVERAGE REVENUE PER MCF SOLD	$ 5.57	$ 5.61	$ 6.11	$ 5.23	$ 4.15	29
		GAS OPERATION AND MAINTENANCE EXPENSES				
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	599,887	363,898	439,128	921,268	489,214	31
NATURAL GAS						
PRODUCTION AND GATHERING	-	-	-	-	-	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	132,414,337	148,737,918	157,301,505	146,836,354	120,790,019	35
OTHER	48,977,722-	56,270,594-	49,284,820-	54,444,583-	43,875,099-	36
TOTAL PRODUCTION EXPENSE	84,036,502	92,831,222	108,455,813	93,313,039	77,404,134	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	1,762,238	1,777,650	1,777,650	1,713,247	1,209,280	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	1,762,238	1,777,650	1,777,650	1,713,247	1,209,280	40
TRANSMISSION EXPENSES	7,770,495	1,858,654	1,461,683	1,087,488	559,808	41
DISTRIBUTION EXPENSES	6,870,823	6,700,720	6,832,054	5,976,360	5,740,129	42
CUSTOMER ACCOUNTS EXPENSES	2,156,536	2,249,218	2,089,393	1,713,316	1,432,840	43
SALES EXPENSES	513,696	398,454	299,320	301,500	156,138	44
ADMINISTRATIVE AND GENERAL EXPENSES	6,548,230	5,678,930	5,522,311	4,366,948	3,663,432	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 109,658,519	$ 111,552,848	$ 126,438,224	$ 108,471,898	$ 90,165,761	46
		GAS UTILITY PLANT*				
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 20,828	$ 20,828	$ 20,828	$ 20,828	$ 20,828	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	3,384,382	3,367,777	3,337,509	3,216,460	3,151,261	50
NATURAL GAS PLANT	373,743	373,743	439,703	511,659	582,095	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	104,135,816	96,227,195	91,036,014	87,042,629	81,585,686	56
GENERAL PLANT	3,240,038	3,050,535	2,942,744	2,628,492	1,839,033	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	111,164,803	103,040,076	97,776,796	93,420,066	87,178,903	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	23,633	23,633	23,633	23,633	23,633	63
CONSTRUCTION WORK IN PROGRESS	3,300,982	2,083,375	807,184	1,302,114	1,489,443	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	114,489,418	105,147,084	98,607,613	94,745,813	88,691,979	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	36,644,293	31,991,365	27,142,185	23,714,433	20,379,373	67
NET GAS UTILITY PLANT	$ 77,845,125	$ 73,155,719	$ 71,465,428	$ 71,031,380	$ 68,312,606	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 103,040,076	$ 97,776,796	$ 93,420,066	$ 87,178,903	$ 79,591,550	69
ADDITIONS	8,366,604	5,494,202	4,754,667	6,619,781	7,811,896	70
RETIREMENTS	241,877	262,395	405,114	381,630	224,993	71
TRANSFERS AND ADJUSTMENTS	-	31,473	7,177	3,012	450	72
PLANT IN SERVICE END OF YEAR	$ 111,164,803	$ 103,040,076	$ 97,776,796	$ 93,420,066	$ 87,178,903	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 137,930,444	$ 141,702,428	$ 150,512,412	$ 132,249,902	$ 109,688,283
2	SALES (MCF)	22,937,192	23,845,048	22,558,884	23,938,758	25,048,933
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 83,436,615	$ 92,467,324	$ 108,016,685	$ 92,391,771	$ 76,914,920
4	WAGES AND BENEFITS	11,376,173	10,481,689	10,181,182	8,655,661	7,593,934
5	OTHER OPERATION AND MAINTENANCE EXPENSES	14,845,731	8,603,825	8,240,367	7,424,476	5,656,907
6	DEPRECIATION AND AMORTIZATION EXPENSES	5,288,108	5,398,977	4,084,243	4,052,727	3,022,947
7	INCOME TAXES - OPERATING	3,387,060	4,019,786	2,394,808	2,942,796	1,634,291
8	OTHER TAXES - OPERATING	12,849,080	12,816,884	11,477,013	9,739,021	8,132,891
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	3,145,778	3,280,977	2,866,108	3,776,280	4,143,372
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	771,984	784,856	780,254	768,208	688,049
11	EARNINGS AVAILABLE FOR COMMON EQUITY	2,851,927	3,888,119	2,481,762	2,498,912	1,900,972
12	TOTAL	$ 137,930,444	$ 141,702,428	$ 150,512,412	$ 132,249,902	$ 109,688,283
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	60.5	65.3	71.8	69.9	70.1
14	WAGES AND BENEFITS	8.2	7.4	6.8	6.5	6.9
15	OTHER OPERATION AND MAINTENANCE EXPENSES	10.8	6.1	5.5	5.6	5.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	3.8	3.8	2.7	3.1	2.8
17	INCOME TAXES - OPERATING	2.5	2.8	1.6	2.2	1.5
18	OTHER TAXES - OPERATING	9.3	9.0	7.6	7.4	7.4
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	2.3	2.3	1.9	2.9	3.8
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.5	0.5	0.6	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	2.1	2.7	1.6	1.9	1.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.64	$ 3.88	$ 4.79	$ 3.86	$ 3.07
24	WAGES AND BENEFITS	0.50	0.44	0.45	0.36	0.30
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.65	0.36	0.37	0.31	0.23
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.23	0.23	0.18	0.17	0.12
27	INCOME TAXES - OPERATING	0.15	0.17	0.11	0.12	0.07
28	OTHER TAXES - OPERATING	0.56	0.54	0.51	0.41	0.32
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.14	0.14	0.13	0.16	0.17
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.03	0.03	0.03	0.03	0.03
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.12	0.16	0.11	0.10	0.08
32	TOTAL	$ 6.01	$ 5.94	$ 6.67	$ 5.52	$ 4.38
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	18.07	17.85	18.26	18.09	16.05

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 238,156,047	$ 227,954,897	$ 218,586,695	$ 208,214,095	$ 197,998,700
2	ACCUM. PROVISION FOR DEPR. AND AMORT	70,093,929	65,107,550	60,445,848	55,527,957	50,834,878
3	NET GAS UTILITY PLANT	168,062,118	162,847,347	158,140,847	152,686,138	147,163,822
4	OTHER UTILITY PLANT	1,918,953,404	1,720,751,009	1,516,747,051	1,337,348,185	1,222,615,978
5	ACCUM. PROVISION FOR DEPR. AND AMORT	506,165,727	465,023,098	425,834,997	381,588,919	338,586,990
6	NET OTHER UTILITY PLANT	1,412,787,677	1,255,727,911	1,090,912,054	955,759,266	884,028,988
7	TOTAL UTILITY PLANT	2,157,109,451	1,948,705,906	1,735,333,746	1,545,562,280	1,420,614,678
8	ACCUM. PROVISION FOR DEPR. AND AMORT	576,259,656	530,130,648	486,280,845	437,116,876	389,421,868
9	NET TOTAL UTILITY PLANT	1,580,849,795	1,418,575,258	1,249,052,901	1,108,445,404	1,031,192,810
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	27,371	27,371	27,371	3,573,858	3,573,858
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	2,237,100	2,237,100	2,237,100	-	-
13	OTHER INVESTMENTS	290,759	298,759	116,656	116,656	116,656
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	2,555,230	2,563,230	2,381,127	3,690,514	3,690,514
16	CASH	1,154,964	903,611	1,701,468	1,096,230	1,428,173
17	SPECIAL DEPOSITS	5,463,259	8,969,494	1,169,155	5,373,232	27,494
18	WORKING FUNDS	72,079	66,029	233,271	357,932	553,914-
19	TEMPORARY CASH INVESTMENTS	39,798,414	38,545,798	21,499,861	-	500,000
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	66,308,759	67,572,981	72,408,539	73,336,950	65,375,629
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
22	MATERIALS AND SUPPLIES	21,013,566	26,879,942	28,873,396	34,989,937	36,015,919
23	GAS STORED UNDERGROUND-CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	10,188,115	8,098,717	9,656,541	9,309,686	3,175,435
26	OTHER CURRENT AND ACCRUED ASSETS	183,744	64,591	184,798	238,388	7,961
27	TOTAL CURRENT AND ACCRUED ASSETS	144,180,900	151,101,143	135,725,029	124,702,355	105,976,697
28	UNAMORTIZED DEBT EXPENSE	9,081,381	8,000,189	7,293,542	6,427,564	5,222,019
29	EXTRAORDINARY PROPERTY LOSSES	48,116,001	34,479,446	37,379,391	39,986,677	-
30	PREL. SURVEY + INVESTIGATION CHARGES	1,705,398	1,088,688	1,698,130	1,563,216	841,835
31	CLEARING ACCOUNTS	-	-	-	-	-
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	52,536-	2,083,209	4,779,231	6,010,107	4,053,478
34	ACCUMULATED DEFERRED INCOME TAXES	9,912,541	14,699,384	15,045,009	25,589,358	21,015,059
35	OTHER DEFERRED DEBITS	13,513,143	1,396,146	24,983,611	27,352,364	10,620,402
36	TOTAL DEFERRED DEBITS	82,275,929	61,727,082	91,178,976	106,329,288	41,752,793
37	TOTAL ASSETS AND OTHER DEBITS	$ 1,809,861,854	$ 1,633,966,693	$ 1,478,338,033	$ 1,343,787,559	$ 1,182,612,814
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 142,484,495	$ 128,382,435	$ 122,032,115	$ 109,966,355	$ 95,199,545
39	PREFERRED STOCK ISSUED	114,547,500	144,187,500	144,187,500	145,000,000	145,000,000
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	330,575,694	287,771,904	274,591,452	243,717,532	217,235,371
43	OTHER PAID-IN CAPITAL	376,357	102,139	102,139	-	-
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	12,359,142-	11,340,117-	11,466,987-	10,782,749-	10,060,523-
46	RETAINED EARNINGS	216,794,787	179,675,826	153,142,070	119,799,019	104,831,721
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	792,419,691	728,779,687	682,588,289	607,700,757	552,206,114
50	BONDS (LESS BONDS REACQUIRED)	676,500,000	636,500,000	611,500,000	541,167,000	486,667,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	91,900,000	51,700,000	-	-	-
53	NET UNAMORTIZED PREMIUM + DISCOUNT	139,341-	181,583-	217,792-	254,001-	158,658-
54	TOTAL LONG TERM DEBT	768,260,659	688,018,417	611,282,208	540,912,999	486,508,342
55	NOTES PAYABLE	-	-	-	40,000,000	-
56	ACCOUNTS PAYABLE	44,268,476	43,472,318	54,134,270	34,334,083	39,738,061
57	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
58	CUSTOMER DEPOSITS	1,800,350	1,282,157	765,656	627,821	616,757
59	TAXES ACCRUED	1,299,052	7,308,458	4,501,420	6,464,883	3,339,482
60	INTEREST ACCRUED	14,584,970	13,276,409	12,862,581	14,265,374	13,980,233
61	DIVIDENDS DECLARED	17,718,413	16,849,210	59,923	32,510	82,651
62	TAX COLLECTIONS PAYABLE	1,480,388	1,199,983	1,234,167	1,170,693	1,227,116
63	OTHER CURRENT AND ACCRUED LIABILITIES	7,958,557	7,064,370	7,254,679	12,350,990	8,406,454
64	TOTAL CURRENT AND ACCRUED LIABILITIES	88,910,206	90,432,905	80,812,698	109,306,954	67,389,754
65	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	2,000	4,000	6,000
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	76,011,458	66,052,852	37,241,053	24,923,141	19,010,129
68	OTHER DEFERRED CREDITS	22,453,671	11,562,502	16,671,817	11,424,915	20,978,840
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	-	-	-	-	-
70	LIBERALIZED DEPRECIATION	41,178,286	33,009,605	24,052,649	19,206,360	15,542,441
71	OTHER	19,325,619	14,704,522	24,522,940	29,690,827	20,480,172
72	TOTAL DEFERRED CREDITS	158,969,034	125,329,481	102,490,454	85,249,243	76,017,582
73	PROPERTY INSURANCE RESERVE	463,115	288,583	104,472	3,222	3,222
74	INJURIES AND DAMAGE RESERVES	839,149	1,117,620	1,059,914	594,384	487,800
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	1,302,264	1,406,203	1,164,386	597,606	491,022
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,809,861,854	$ 1,633,966,693	$ 1,478,338,033	$ 1,343,787,559	$ 1,182,612,814

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

ROCHESTER GAS AND ELECTRIC CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 269,561,412	$ 291,628,285	$ 276,357,535	$ 253,233,140	$ 209,114,903	1
OPERATION AND MAINTENANCE EXPENSE	215,229,322	228,989,362	228,120,374	202,945,953	180,929,224	2
DEPRECIATION EXPENSE	7,700,458	7,377,226	6,631,685	6,287,386	5,966,526	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	23,116,119	23,797,637	22,187,197	20,328,305	17,350,038	5
INCOME TAXES	4,150,456	11,461,024	4,364,146	3,361,735	5,341,249	6
PROVISION FOR DEFERRED INCOME TAXES	4,413,170	3,789,152	3,505,106	5,612,999	3,187,918	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	2,680,450-	5,050,940-	4,024,357-	2,026,980-	2,544,217-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	251,929,072	270,363,461	260,784,151	236,509,398	190,230,738	12
NET OPERATING REVENUES	17,632,340	21,264,804	15,573,384	16,723,742	18,884,165	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	17,632,340	21,264,804	15,573,384	16,723,742	18,884,165	15
OTHER UTILITY OPERATING INCOME	101,621,686	87,799,673	83,250,976	68,345,700	60,457,596	16
TOTAL UTILITY OPERATING INCOME	119,254,026	109,064,477	98,824,360	85,069,442	79,341,761	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	397-	-	1,320	8,893-	2,339-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	-	15,329	26,559	9,128	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	1,034,759-	21
INTEREST AND DIVIDEND INCOME	5,099,938	2,637,144	2,394,727	1,518,434	653,681	22
ALLOWANCE FOR CONSTRUCTION FUNDS	52,732,548	46,522,889	36,091,814	28,715,430	21,110,341	23
MISCELLANEOUS NONOPERATING INCOME	306,575-	1,158,391-	332,095	321,825	2,276	24
GAIN ON DISPOSITION OF PROPERTY	10,686	24,083	15,270	32,901	511	25
TOTAL OTHER INCOME	57,536,177	48,025,725	38,850,555	30,606,256	20,738,839	26
TOTAL INCOME	176,790,203	157,090,202	137,674,915	115,675,698	100,080,600	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	70,541	83,082	122,988	87,944	57,257	28
INCOME TAXES-NONOPERATING	13,344,232-	13,355,508-	9,724,205-	8,486,922-	9,046,590-	29
LOSS ON DISPOSITION OF PROPERTY	8,177,216	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	283,684	378,420	378,420	378,420	378,420	31
MISCELLANEOUS INCOME DEDUCTIONS	534,325	779,774	904,566	868,579	1,383,096	32
TOTAL INCOME DEDUCTIONS	4,278,466-	12,114,232-	8,318,231-	7,151,979-	7,227,817-	33
INCOME BEFORE INTEREST CHARGES	181,068,669	169,204,434	145,993,146	122,827,677	107,308,417	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	70,372,980	63,103,083	56,760,888	48,327,328	38,020,016	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	833,145	750,366	670,573	519,235	340,736	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	33,617-	39,651-	39,651-	40,473-	41,625-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	1,427,700	1,772,539	2,353,501	3,981,897	3,676,061	39
TOTAL INTEREST CHARGES	72,600,188	65,586,337	59,745,311	52,787,987	41,995,188	40
INCOME BEFORE EXTRAORDINARY ITEMS	108,468,481	103,618,097	86,247,835	70,039,690	65,313,229	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 108,468,481 $	103,618,097 $	86,247,835 $	70,039,690 $	65,313,229	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 179,633,479 $	153,099,723 $	119,756,672 $	104,789,374 $	82,787,832	47
BALANCE TRANSFERRED FROM INCOME	108,468,481	103,618,097	86,247,835	70,039,690	66,452,435	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	9,467,448	12,212,814	10,514,708	10,538,000	10,538,000	50
-COMMON STOCK	61,882,072	64,871,527	42,390,076	44,534,392	35,578,922	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	1,666,029	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	216,752,440	179,633,479	153,099,723	119,756,672	104,789,374	53
APPROPRIATED RETAINED EARNINGS	42,347	42,347	42,347	42,347	42,347	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 216,794,787 $	179,675,826 $	153,142,070 $	119,799,019 $	104,831,721	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.88	0.77	0.77	0.80	0.91	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	3.73	3.29	2.97	2.99	2.90	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	2.71	2.35	2.17	2.17	2.22	59
CURRENT ASSETS / BY CURRENT LIABILITIES	1.62	1.67	1.68	1.14	1.57	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	49.2	48.5	47.2	47.0	46.8	61
PREFERRED STOCK	7.3	10.1	11.1	12.6	13.9	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	29.5	28.5	29.7	29.8	29.1	63
RETAINED EARNINGS	13.8	12.6	11.8	10.4	10.0	64
LONG-TERM DEBT % OF GROSS UTILITY PLANT	35.6	35.3	35.2	34.9	34.2	65
% OF NET UTILITY PLANT	48.5	48.5	48.9	48.7	47.1	66
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	28.7	27.2	28.0	28.2	27.4	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	35.6	37.2	36.5	37.1	34.2	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	79.8	78.5	82.5	80.1	76.9	69
GAS DEPRECIATION AND AMORTIZATION	2.8	2.5	2.3	2.4	2.8	70
TOTAL INCOME TAXES-GAS, OPERATING	2.1	3.4	1.3	2.7	2.8	71
OTHER TAXES-GAS, OPERATING	8.5	8.1	8.0	8.0	8.2	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	93.4	92.7	94.3	93.3	90.9	74
GAS OPERATING INCOME	6.5	7.2	5.6	6.6	9.0	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	3.2	3.2	3.0	3.0	3.0	76
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	9.8	8.4	7.9	7.7	6.9	77
PRETAX INTEREST COVERAGE	3.1	3.3	2.9	2.6	2.8	78
NET INCOME-PERCENT OF OPERATING REVENUES	14.3	13.2	11.4	10.2	10.7	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	1.2	1.5	1.3	1.5	1.7	80
TIMES EARNED	11.5	8.5	8.2	6.6	6.2	81
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	8.1	8.2	5.6	8.5	5.8	82
% OF EARNINGS AVAILABLE FOR COMMON	62.5	70.9	55.9	74.8	64.9	83
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	15.6	16.2	15.1	13.6	14.0	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	9.8	11.5	8.4	10.2	9.1	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

LINE NO		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 108,468,481	$ 103,618,097	$ 86,247,835	$ 70,039,690	$ 65,313,229
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	65,849,398	59,294,449	57,795,985	53,752,322	56,683,094
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	27,535,227	28,203,458	22,460,219	14,110,448	6,172,981
4	INTEREST CAPITALIZED	52,732,548-	46,522,889-	38,091,814-	28,715,430-	21,110,341-
5	OTHER (NET)	9,281,421-	11,390,108	17,274,526	2,611,819-	20,098,821
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	139,839,135	155,983,221	147,686,731	106,575,209	127,157,784
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	139,839,135	155,983,221	147,686,731	106,575,209	127,157,784
10	LESS DIVIDENDS PREFERRED	9,467,448	12,212,814	10,514,708	10,538,000	10,538,000
11	COMMON	61,882,072	64,871,527	42,390,076	36,109,224	28,594,193
12	NET FUNDS FROM INTERNAL SOURCES	68,489,615	78,898,880	94,781,947	59,927,985	88,025,591
	EXTERNAL SOURCES					
13	LONG TERM DEBT	50,000,000	25,000,000	100,000,000	60,500,000	50,000,000
14	PREFERRED STOCK	-	-	-		
15	COMMON STOCK	56,905,850	19,530,772	42,939,080	32,824,401	8,182,351
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	40,000,000	
17	OTHER (NET)	40,474,218	51,700,000	102,139	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	147,380,068	96,230,772	143,041,219	133,324,401	58,182,351
20	OTHER SOURCES (NET)	13,878,362	10,037,160	1,594,066	-	3,339,423
21						
22						
23	TOTAL FUNDS PROVIDED	$ 229,748,045	$ 185,166,812	$ 239,417,232	$ 193,252,386	$ 149,547,365
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 12,315,238	$ 11,434,160	$ 11,493,393	$ 11,336,074	$ 13,205,246
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	-	-	-
27	OTHER	230,525,355	214,497,110	191,558,271	162,269,531	125,668,769
28	TOTAL GROSS ADDITIONS	242,840,593	225,931,270	203,051,664	173,605,605	138,874,015
29	LESS INTEREST CAPITALIZED	52,732,548	46,522,889	36,091,814	28,715,430	21,110,341
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	190,108,045	179,408,381	166,959,850	144,890,175	117,763,674
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	10,000,000	-	29,667,000	6,000,000	
32	PREFERRED STOCK	1,640,000	-	812,500		
33	REDEMPTION OF CAPITAL STOCK	-	-			
34	NET DECREASE IN SHORT TERM DEBT	-	-	40,000,000	-	-
35	OTHER (NET)	28,000,000	-			25,300,000
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	39,640,000		70,479,500	6,000,000	25,300,000
38	OTHER USES (NET)	-	5,758,431	1,977,882	42,362,211	6,483,691
39						
40						
41	TOTAL FUNDS APPLIED	$ 229,748,045	$ 185,166,812	$ 239,417,232	$ 193,252,386	$ 149,547,365

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
		GAS OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 161,681,945 $	171,651,153 $	162,077,679 $	147,890,605 $	125,134,092	1
COMMERCIAL AND INDUSTRIAL	92,404,913	103,035,557	98,187,680	91,156,164	72,741,722	2
OTHER SALES TO PUBLIC AUTHORITIES	13,525,500	15,145,053	14,335,779	12,821,283	10,377,734	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	267,612,358	289,831,763	274,601,138	251,868,052	208,253,548	5
RESALE	-	-	-	-	-	6
TOTAL REVENUES FROM SALES OF GAS	267,612,358	289,831,763	274,601,138	251,868,052	208,253,548	7
OTHER GAS OPERATING REVENUES	1,949,054	1,796,502	1,756,397	1,365,088	861,355	8
TOTAL GAS OPERATING REVENUES	$ 269,561,412 $	291,628,265 $	276,357,535 $	253,233,140 $	209,114,903	9
GAS SALES (MCF)						
RESIDENTIAL	25,095,260	25,804,194	23,809,774	26,076,658	25,796,637	10
COMMERCIAL AND INDUSTRIAL	16,574,683	18,058,057	16,671,569	18,102,363	17,528,922	11
OTHER SALES TO PUBLIC AUTHORITIES	2,428,544	2,820,492	2,399,644	2,588,033	2,504,451	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	44,098,487	46,682,744	42,880,988	46,767,055	45,828,011	14
RESALE	-	-	-	-	-	15
TOTAL GAS SALES	44,098,487	46,682,744	42,880,988	46,767,055	45,828,011	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	220,908	217,583	214,578	212,161	207,708	17
COMMERCIAL AND INDUSTRIAL	16,485	16,108	15,749	15,491	15,099	18
OTHER SALES TO PUBLIC AUTHORITIES	978	973	972	991	1,029	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	238,371	234,662	231,299	228,643	223,836	21
RESALE	-	-	-	-	-	22
TOTAL CUSTOMERS	238,371	234,662	231,299	228,643	223,836	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 731.90	$ 788.90	$ 755.33	$ 696.13	$ 602.45	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	114	119	111	123	124	25
AVERAGE REVENUE PER MCF SOLD	$ 6.44	$ 6.65	$ 6.81	$ 5.66	$ 4.85	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 5,605.39 $	6,397.34 $	6,234.53 $	5,884.48 $	4,817.85	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	1,005	1,121	1,059	1,169	1,181	28
AVERAGE REVENUE PER MCF SOLD	$ 5.58	$ 5.71	$ 5.89	$ 5.04	$ 4.15	29
		GAS OPERATION AND MAINTENANCE EXPENSES				
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	-	-	-	-	-	31
NATURAL GAS						
PRODUCTION AND GATHERING	6,539	6,384	5,613	9,657	21,871	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	180,688,557	194,875,835	196,433,834	178,999,874	135,720,026	35
OTHER	5,927,744-	7,335,849-	6,767,456-	13,992,278-	7,130,217-	36
TOTAL PRODUCTION EXPENSE	174,765,352	187,546,970	189,671,991	165,017,253	128,611,680	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	-	-	-	-	-	41
DISTRIBUTION EXPENSES	13,572,401	13,478,074	12,870,445	13,881,325	12,561,773	42
CUSTOMER ACCOUNTS EXPENSES	7,906,794	8,611,118	8,083,889	8,377,520	5,971,895	43
SALES EXPENSES	2,177,442	2,776,798	2,473,577	1,516,556	1,169,782	44
ADMINISTRATIVE AND GENERAL EXPENSES	16,807,330	16,578,396	15,020,472	14,153,299	12,614,094	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 215,229,322 $	228,989,362 $	228,120,374 $	202,945,953 $	160,929,224	46
		GAS UTILITY PLANT*				
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 3,855 $	3,855 $	3,855 $	3,855 $	3,855	48
PRODUCTION PLANT						
MANUFACTURED GAS PLANT	-	-	-	-	-	49
NATURAL GAS PLANT	-	-	-	-	-	50
NATURAL GAS STORAGE PLANT	136,494	151,871	150,651	150,651	153,616	51
UNDERGROUND STORAGE PLANT	-	-	-	-	-	52
OTHER STORAGE PLANT	-	-	-	-	-	53
TRANSMISSION PLANT	-	-	-	-	-	54
DISTRIBUTION PLANT	-	-	-	-	-	55
GENERAL PLANT	232,088,909	221,128,106	210,221,832	201,082,522	192,215,668	56
GAS PLANT PURCHASED OR SOLD	1,837,948	2,389,343	2,145,131	1,964,992	1,735,127	57
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	58
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	59
TOTAL GAS PLANT IN SERVICE	-	-	-	-	-	60
PLANT LEASED TO OTHERS	234,067,206	223,673,175	212,521,469	203,202,020	194,108,266	61
PLANT HELD FOR FUTURE USE	-	-	-	-	-	62
CONSTRUCTION WORK IN PROGRESS	-	-	-	-	-	63
PLANT ACQUISITION ADJUSTMENTS	4,088,841	4,281,722	6,065,226	5,012,075	3,890,434	64
TOTAL GAS UTILITY PLANT	-	-	-	-	-	65
ACCUMULATED PROVISION FOR DEPRECIATION	238,156,047	227,954,897	218,586,695	208,214,095	197,998,700	66
AND AMORTIZATION	70,093,929	65,107,550	60,445,848	55,527,957	50,834,878	67
NET GAS UTILITY PLANT	$ 168,062,118 $	162,847,347 $	158,140,847 $	152,686,138 $	147,163,822	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 223,673,175 $	212,521,469 $	203,202,020 $	194,108,266 $	181,145,039	69
ADDITIONS	11,957,762	12,704,403	9,981,382	9,769,260	9,790,875	70
RETIREMENTS	927,871	1,548,730	717,760	679,232	810,102	71
TRANSFERS AND ADJUSTMENTS	635,860-	3,967-	55,827	3,726	3,982,454	72
PLANT IN SERVICE END OF YEAR	$ 234,067,206 $	223,673,175 $	212,521,469 $	203,202,020 $	194,108,266	73

*EXCLUDES ALLOCATION OF COMMON PLANT

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MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 269,561,412	$ 291,628,285	$ 276,357,535	$ 253,233,140	$ 209,114,903
2	SALES (MCF)	44,098,487	46,482,744	42,880,988	46,787,055	45,828,011
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 174,758,813	$ 187,539,986	$ 189,866,378	$ 165,007,596	$ 128,589,809
4	WAGES AND BENEFITS	26,115,625	25,088,091	23,849,848	23,252,880	21,768,928
5	OTHER OPERATION AND MAINTENANCE EXPENSES	14,354,884	16,383,285	14,604,148	14,685,497	10,570,489
6	DEPRECIATION AND AMORTIZATION EXPENSES	7,700,458	7,377,226	6,631,685	6,287,388	5,986,526
7	INCOME TAXES - OPERATING	5,883,176	10,199,236	3,844,895	5,347,754	5,984,350
8	OTHER TAXES - OPERATING	23,116,119	23,797,837	22,181,197	20,328,305	17,350,038
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	8,993,329	8,846,828	8,770,841	6,732,646	5,099,453
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1,036,454	1,444,885	1,541,388	1,017,504	1,231,181
11	EARNINGS AVAILABLE FOR COMMON EQUITY	7,602,557	10,973,311	5,260,755	9,413,592	12,551,531
12	TOTAL	$ 269,561,412	$ 291,628,285	$ 276,357,535	$ 253,233,140	$ 209,114,903
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	64.8	64.3	68.6	65.2	61.5
14	WAGES AND BENEFITS	9.7	8.6	8.6	9.2	10.4
15	OTHER OPERATION AND MAINTENANCE EXPENSES	5.3	5.6	5.3	5.8	5.1
16	DEPRECIATION AND AMORTIZATION EXPENSES	2.9	2.5	2.4	2.5	2.9
17	INCOME TAXES - OPERATING	2.2	3.5	1.4	2.1	2.9
18	OTHER TAXES - OPERATING	8.6	8.2	8.0	8.0	8.3
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	3.3	3.0	3.2	2.6	2.4
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.5	0.6	0.4	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	2.8	3.8	1.9	3.7	6.0
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.96	$ 4.03	$ 4.42	$ 3.53	$ 2.81
24	WAGES AND BENEFITS	0.59	0.54	0.56	0.50	0.48
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.33	0.35	0.34	0.31	0.23
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.17	0.16	0.15	0.13	0.13
27	INCOME TAXES - OPERATING	0.13	0.22	0.09	0.11	0.13
28	OTHER TAXES - OPERATING	0.52	0.51	0.52	0.43	0.38
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.20	0.19	0.20	0.14	0.11
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.02	0.03	0.04	0.02	0.03
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.17	0.24	0.12	0.20	0.27
32	TOTAL	$ 6.11	$ 6.27	$ 6.44	$ 5.41	$ 4.56
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31 - STATED AS PERCENTS	10.97	11.80	13.06	14.23	14.74

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

ST LAWRENCE GAS COMPANY, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 12,065,068	$ 11,812,242	$ 11,657,059	$ 11,446,573	$ 11,239,676
2	ACCUM PROVISION FOR DEPR AND AMORT	4,272,254	3,967,370	3,641,530	3,317,281	3,014,374
3	NET GAS UTILITY PLANT	7,792,814	7,844,872	8,015,529	8,129,292	8,225,302
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM PROVISION FOR DEPR AND AMORT	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	12,065,068	11,812,242	11,657,059	11,446,573	11,239,676
8	ACCUM PROVISION FOR DEPR AND AMORT	4,272,254	3,967,370	3,641,530	3,317,281	3,014,374
9	NET TOTAL UTILITY PLANT	7,792,814	7,844,872	8,015,529	8,129,292	8,225,302
10	NONUTILITY PROPERTY LESS ACCUM PROV FOR DEPRECIATION AND AMORTIZATION	1,281,023	1,192,538	1,120,968	1,008,435	932,861
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	26,382	19,872	20,571	20,663	21,213
13	OTHER INVESTMENTS	-	-	-	-	-
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	1,307,405	1,212,410	1,141,539	1,029,098	954,074
16	CASH	367,381	773,950	58,400	28,613	90,547
17	SPECIAL DEPOSITS	1,300	1,300	1,300	1,300	1,300
18	WORKING FUNDS	2,177	2,077	2,177	2,227	2,227
19	TEMPORARY CASH INVESTMENTS	1,633,000	1,683,000	1,163,000	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	3,928,470	3,509,708	3,850,814	2,888,463	3,302,520
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
22	MATERIALS AND SUPPLIES	146,047	143,193	138,336	148,053	148,506
23	GAS STORED UNDERGROUND-CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	208,732	187,680	186,480	166,609	158,084
26	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
27	TOTAL CURRENT AND ACCRUED ASSETS	6,283,087	6,300,908	5,400,507	3,235,265	3,701,184
28	UNAMORTIZED DEBT EXPENSE	12,757	17,857	22,959	28,061	33,162
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
31	CLEARING ACCOUNTS	-	-	-	-	-
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	-	-	-	-	-
34	ACCUMULATED DEFERRED INCOME TAXES	236,091	390,243	252,868	71,095	50,210
35	OTHER DEFERRED DEBITS	247,880-	671,351-	346,727-	277,818	511,857
36	TOTAL DEFERRED DEBITS	968	263,251-	70,902-	376,974	595,229
37	TOTAL ASSETS AND OTHER DEBITS	$ 15,384,274	$ 15,094,939	$ 14,486,673	$ 12,770,629	$ 13,475,789
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 4,350,000	$ 4,350,000	$ 4,350,000	$ 4,350,000	$ 4,350,000
39	PREFERRED STOCK ISSUED	-	-	-	-	-
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
43	OTHER PAID-IN CAPITAL	-	-	-	-	-
44	INSTALLMENTS REC D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	-	-	-	-	-
46	RETAINED EARNINGS	2,961,704	2,545,984	1,731,459	1,167,510	919,599
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	5,646-	2,578-	1,879-	1,787-	1,237-
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	7,306,058	6,893,406	6,079,580	5,515,723	5,268,362
50	BONDS (LESS BONDS REACQUIRED)	1,632,000	1,704,000	1,776,000	1,848,000	1,920,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
53	NET UNAMORTIZED PREMIUM + DISCOUNT	-	-	-	-	-
54	TOTAL LONG TERM DEBT	3,132,000	3,204,000	3,276,000	3,348,000	3,420,000
55	NOTES PAYABLE	-	-	-	190,863	485,732
56	ACCOUNTS PAYABLE	56,795	67,854	60,809	62,035	97,332
57	PAYABLES TO ASSOCIATED COMPANIES	3,559,159	3,565,056	3,791,236	2,883,251	3,054,862
58	CUSTOMER DEPOSITS	87,677	182,422	90,250	77,072	106,140
59	TAXES ACCRUED	61,884-	100,647	137,904	254,730-	155,923
60	INTEREST ACCRUED	34,129	33,595	32,054	32,530	33,344
61	DIVIDENDS DECLARED	108,750	-	-	-	-
62	TAX COLLECTIONS PAYABLE	-	-	-	-	-
63	OTHER CURRENT AND ACCRUED LIABILITIES	59,931	60,054	75,219	71,584	62,841
64	TOTAL CURRENT AND ACCRUED LIABILITIES	3,844,557	3,979,428	4,187,472	3,062,585	3,996,174
65	CUSTOMER ADVANCES FOR CONSTRUCTION	31,392	87,592	118,818	18,818	-
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM DEFERRED INVESTMENT TAX CREDITS	314,488	290,550	264,571	254,400	217,660
68	OTHER DEFERRED CREDITS	-	-	-	-	-
	ACCUMULATED DEFERRED INCOME TAXES.					
69	ACCELERATED AMORTIZATION	-	-	-	-	-
70	LIBERALIZED DEPRECIATION	567,486	512,688	443,722	369,488	300,221
71	OTHER	62,857	2,275	550	97,655	181,412
72	TOTAL DEFERRED CREDITS	976,223	893,105	827,661	740,361	699,293
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	125,000	125,000	115,960	103,960	91,960
75	PENSION AND BENEFITS RESERVE	436	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	125,436	125,000	115,960	103,960	91,960
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 15,384,274	$ 15,094,939	$ 14,486,673	$ 12,770,629	$ 13,475,789

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

ST. LAWRENCE GAS COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 36,862,813	$ 38,048,775	$ 33,268,372	$ 32,545,694	$ 35,503,037	1
OPERATION AND MAINTENANCE EXPENSE	32,692,801	33,450,148	29,387,086	29,268,733	32,169,773	2
DEPRECIATION EXPENSE	354,497	366,068	311,375	305,142	277,802	3
AMORTIZATION	10,087	9,834	9,960	11,494	920	4
TAXES OTHER THAN INCOME TAXES	2,120,281	2,175,798	1,988,117	1,934,487	1,959,466	5
INCOME TAXES	382,090	864,487	802,194	350,752	396,487	6
PROVISION FOR DEFERRED INCOME TAXES	519,757	180,779	121,020	167,742	239,082	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	266,935-	257,575-	345,424-	217,817-	279,606-	8
MISC. ADJUSTMENTS OF INCOME TAXES	4,740	4,739	4,740	8,512-	8,532-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	35,817,268	36,773,277	32,280,037	31,812,021	34,755,372	12
NET OPERATING REVENUES	1,045,545	1,275,498	988,335	733,673	747,665	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	1,045,545	1,275,498	988,335	733,673	747,665	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	1,045,545	1,275,498	988,335	733,673	747,665	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	191,436	207,705	233,167	218,120	213,548	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	3,066-	669-	92-	550-	413-	21
INTEREST AND DIVIDEND INCOME	200,615	297,879	116,179	56,950	120,290	22
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	23
MISCELLANEOUS NONOPERATING INCOME	-	-	-	-	-	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	388,983	504,885	349,254	274,520	333,425	26
TOTAL INCOME	1,434,528	1,780,383	1,337,589	1,008,193	1,081,090	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	10,384	14,141	6,802	3,716	6,041	28
INCOME TAXES-NONOPERATING	192,920	236,719	176,143	123,532	179,373	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	6,625	6,500	7,500	4,500	3,400	32
TOTAL INCOME DEDUCTIONS	209,929	257,360	190,445	131,748	188,814	33
INCOME BEFORE INTEREST CHARGES	1,224,599	1,523,023	1,147,144	876,445	892,276	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	207,570	211,350	215,130	218,910	222,690	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	5,101	5,102	5,102	5,102	5,102	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	55,526	57,745	15,055	57,072	42,641	39
TOTAL INTEREST CHARGES	268,197	274,197	235,287	281,084	270,433	40
INCOME BEFORE EXTRAORDINARY ITEMS	956,402	1,248,826	911,857	595,361	621,843	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 956,402	$ 1,248,826	$ 911,857	$ 595,361	$ 621,843	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,545,984	$ 1,731,459	$ 1,167,510	$ 919,599	$ 2,645,343	47
BALANCE TRANSFERRED FROM INCOME	959,470	1,249,525	911,949	595,911	622,256	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	50
-COMMON STOCK	543,750	435,000	348,000	348,000	2,348,000	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,961,704	2,545,984	1,731,459	1,167,510	919,599	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	5,646-	2,578-	1,879-	1,787-	1,237-	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,956,058	$ 2,543,406	$ 1,729,580	$ 1,165,723	$ 918,362	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.32	0.31	0.35	0.35	0.31	57
OTHER UTILITY PLT /DOLLAR OF OTHER REVENUE	-	-	-	-	-	58
TOTAL UTILITY PLT /DOLLAR OF TOTAL REVENUE	0.32	0.31	0.35	0.35	0.31	59
CURRENT ASSETS / BY CURRENT LIABILITIES	1.63	1.58	1.29	1.06	0.93	60
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	30.0	31.7	35.0	37.7	39.3	61
PREFERRED STOCK	-	-	-	-	-	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	41.6	43.0	46.4	49.0	50.0	63
RETAINED EARNINGS	28.3	25.2	18.5	13.1	10.5	64
LONG-TERM DEBT % OF GROSS UTILITY PLANT	25.9	27.1	28.1	29.2	30.4	65
% OF NET UTILITY PLANT	40.1	40.8	40.8	41.1	41.5	66
ACCUM PROVISION FOR DEPR % OF UTILITY PLT	35.4	33.5	31.2	28.9	26.8	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	88.6	87.9	88.3	89.9	90.6	69
GAS DEPRECIATION AND AMORTIZATION	0.9	0.9	0.9	0.9	0.7	70
TOTAL INCOME TAXES-GAS, OPERATING	1.7	2.0	1.7	0.8	0.9	71
OTHER TAXES-GAS, OPERATING	5.7	5.7	5.9	5.9	5.5	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	97.1	96.6	97.0	97.7	97.8	74
GAS OPERATING INCOME	2.8	3.3	2.9	2.2	2.1	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	3.0	3.0	2.7	2.7	2.4	76
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	0.7	0.7	0.7	0.9	0.8	77
PRETAX INTEREST COVERAGE	7.7	9.3	8.1	4.6	5.2	78
NET INCOME-PERCENT OF OPERATING REVENUES	2.5	3.2	2.7	1.8	1.7	79
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	80
TIMES EARNED	-	-	-	-	-	81
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	1.4	1.1	1.0	1.0	6.6	82
% OF EARNINGS AVAILABLE FOR COMMON	56.8	34.8	38.1	58.4	377.5	83
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	13.4	19.2	15.7	11.0	10.1	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	7.6	6.7	6.0	6.4	38.2	85

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MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ST. LAWRENCE GAS COMPANY, INC.

LINE NO.		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 956,402	$ 1,248,826	$ 911,857	$ 595,361	$ 621,843
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	523,484	516,930	432,147	433,199	383,766
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	293,470	40,707-	194,471-	1,365	11,264
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	436	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	1,773,792	1,725,049	1,149,533	1,029,925	1,016,873
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,773,792	1,725,049	1,149,533	1,029,925	1,016,873
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	543,750	435,000	348,000	348,000	2,348,000
12	NET FUNDS FROM INTERNAL SOURCES	1,230,042	1,290,049	801,533	681,925	1,331,127-
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	485,732
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	485,732
20	OTHER SOURCES (NET)	43,434	32,104	757,547	279,499	1,417,628
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,273,476	$ 1,322,153	$ 1,559,080	$ 961,424	$ 572,233
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 394,948	$ 247,367	$ 264,945	$ 273,851	$ 344,236
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	212,871	188,238	181,872	147,903	155,997
27	OTHER	-	-	-	-	-
28	TOTAL GROSS ADDITIONS	607,819	435,605	446,817	421,754	500,233
29	LESS INTEREST CAPITALIZED	-	-	-	-	-
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	607,819	435,605	446,817	421,754	500,233
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	72,000	72,000	72,000	72,000	72,000
32	PREFERRED STOCK	-	-	-	-	-
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	-	190,863	294,869	-
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	72,000	72,000	262,863	366,869	72,000
38	OTHER USES (NET)	593,657	814,548	849,400	172,801	-
39						
40						
41	TOTAL FUNDS APPLIED	$ 1,273,476	$ 1,322,153	$ 1,559,080	$ 961,424	$ 572,233

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ST. LAWRENCE GAS COMPANY, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO
	GAS OPERATING REVENUES					
REVENUES						
RESIDENTIAL	$ 7,464,433	$ 7,552,987	$ 7,901,761	$ 8,485,549	$ 8,347,870	1
COMMERCIAL AND INDUSTRIAL	29,354,670	30,452,301	25,323,569	23,982,671	27,148,097	2
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	36,819,103	38,005,288	33,225,330	32,468,220	35,495,967	5
RESALE	-	-	-	-	-	6
TOTAL REVENUES FROM SALES OF GAS	36,819,103	38,005,288	33,225,330	32,468,220	35,495,967	7
OTHER GAS OPERATING REVENUES	43,710	43,487	43,042	77,474	7,070	8
TOTAL GAS OPERATING REVENUES	$ 36,862,813	$ 38,048,775	$ 33,268,372	$ 32,545,694	$ 35,503,037	9
GAS SALES (MCF)						
RESIDENTIAL	1,375,234	1,353,842	1,276,479	1,309,250	1,374,427	10
COMMERCIAL AND INDUSTRIAL	6,537,017	6,626,167	5,015,833	4,187,517	4,965,791	11
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	7,912,251	7,980,009	6,292,312	5,496,767	6,340,218	14
RESALE	-	-	-	-	-	15
TOTAL GAS SALES	7,912,251	7,980,009	6,292,312	5,496,767	6,340,218	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	9,556	9,408	9,272	9,166	9,087	17
COMMERCIAL AND INDUSTRIAL	1,075	1,055	1,024	1,001	996	18
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	10,631	10,463	10,296	10,167	10,083	21
RESALE	-	-	-	-	-	22
TOTAL CUSTOMERS	10,631	10,463	10,296	10,167	10,083	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 781.13	$ 802.83	$ 852.22	$ 925.76	$ 918.66	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	144	144	138	143	151	25
AVERAGE REVENUE PER MCF SOLD	$ 5.43	$ 5.58	$ 6.19	$ 6.48	$ 6.07	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 27,308.67	$ 28,884.74	$ 24,730.05	$ 23,958.71	$ 27,257.13	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	6,081	6,281	4,898	4,183	4,986	28
AVERAGE REVENUE PER MCF SOLD	$ 4.49	$ 4.60	$ 5.05	$ 5.73	$ 5.47	29
	GAS OPERATION AND MAINTENANCE EXPENSES					
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	-	-	-	-	-	31
NATURAL GAS						
PRODUCTION AND GATHERING	-	-	-	-	-	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	31,085,800	31,258,933	26,855,610	27,332,854	30,198,468	35
OTHER	322,058-	419,146	765,455	197,437	403,404	36
TOTAL PRODUCTION EXPENSE	30,763,742	31,678,079	27,621,065	27,530,291	30,601,872	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	-	-	-	-	-	41
DISTRIBUTION EXPENSES	704,682	671,190	629,928	586,944	557,321	42
CUSTOMER ACCOUNTS EXPENSES	308,674	300,280	286,210	290,928	264,967	43
SALES EXPENSES	110,060	113,145	105,557	129,771	129,543	44
ADMINISTRATIVE AND GENERAL EXPENSES	805,663	687,475	744,295	730,799	616,070	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 32,692,801	$ 33,450,149	$ 29,387,055	$ 29,268,733	$ 32,169,773	46
	GAS UTILITY PLANT					
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 2,262	$ 2,262	$ 2,262	$ 2,262	$ 2,262	48
PRODUCTION PLANT-						49
MANUFACTURED GAS PLANT	-	-	-	-	-	50
NATURAL GAS PLANT	-	-	-	-	-	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	11,386,269	11,182,588	11,060,146	10,847,167	10,694,686	56
GENERAL PLANT	672,602	626,123	593,558	597,146	539,650	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	12,061,133	11,810,973	11,655,966	11,446,575	11,236,598	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	3,935	1,269	1,093	-	3,078	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	12,065,068	11,812,242	11,657,059	11,446,575	11,239,676	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	4,272,254	3,967,370	3,641,530	3,317,281	3,014,374	67
NET GAS UTILITY PLANT	$ 7,792,814	$ 7,844,872	$ 8,015,529	$ 8,129,292	$ 8,225,302	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 11,810,973	$ 11,655,966	$ 11,446,575	$ 11,236,598	$ 10,987,022	69
ADDITIONS	379,823	247,367	263,851	281,187	347,539	70
RETIREMENTS	134,490	96,742	59,353	71,210	100,124	71
TRANSFERS AND ADJUSTMENTS	4,827	4,382	4,893	-	2,161	72
PLANT IN SERVICE END OF YEAR	$ 12,061,133	$ 11,810,973	$ 11,655,966	$ 11,446,575	$ 11,236,598	73

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS-ENDED DECEMBER 31

ST. LAWRENCE GAS COMPANY, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 36,862,813	$ 38,048,775	$ 33,268,372	$ 32,545,684	$ 35,503,037
2	SALES (MCF)	7,912,251	7,980,008	6,292,312	5,496,767	6,340,218
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 30,763,742	$ 31,678,079	$ 27,621,068	$ 27,530,281	$ 30,601,872
4	WAGES AND BENEFITS	1,361,779	1,203,564	1,184,398	1,133,016	1,018,805
5	OTHER OPERATION AND MAINTENANCE EXPENSES	567,280	568,508	581,592	605,428	551,086
6	DEPRECIATION AND AMORTIZATION EXPENSES	364,564	364,902	321,328	316,638	278,722
7	INCOME TAXES - OPERATING	639,622	782,430	582,530	292,168	347,411
8	OTHER TAXES - OPERATING	2,120,281	2,175,798	1,988,117	1,934,487	1,959,468
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	268,197	274,197	236,287	281,084	270,433
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	777,348	1,001,301	753,048	452,580	477,232
12	TOTAL	$ 36,862,813	$ 38,048,775	$ 33,268,372	$ 32,545,684	$ 35,503,037
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	83.5	83.3	83.0	84.6	86.2
14	WAGES AND BENEFITS	3.7	3.2	3.6	3.5	2.9
15	OTHER OPERATION AND MAINTENANCE EXPENSES	1.5	1.5	1.7	1.9	1.6
16	DEPRECIATION AND AMORTIZATION EXPENSES	1.0	1.0	1.0	1.0	0.8
17	INCOME TAXES - OPERATING	1.7	2.1	1.8	0.9	1.0
18	OTHER TAXES - OPERATING	5.8	5.7	6.0	5.9	5.5
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.7	0.7	0.7	0.9	0.8
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	2.1	2.6	2.3	1.4	1.3
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.89	$ 3.97	$ 4.39	$ 5.01	$ 4.83
24	WAGES AND BENEFITS	0.17	0.15	0.19	0.21	0.16
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.07	0.07	0.09	0.11	0.09
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.05	0.05	0.05	0.06	0.04
27	INCOME TAXES - OPERATING	0.08	0.10	0.09	0.05	0.05
28	OTHER TAXES - OPERATING	0.27	0.27	0.32	0.35	0.31
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.03	0.03	0.04	0.05	0.04
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.10	0.13	0.12	0.08	0.08
32	TOTAL	$ 4.66	$ 4.77	$ 5.29	$ 5.92	$ 5.60

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

SYRACUSE SUBURBAN GAS COMPANY, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 6,456,148	$ 5,996,666	$ 5,593,999	$ 5,224,195	$ 4,931,390
2	ACCUM. PROVISION FOR DEPR. AND AMORT	1,470,517	1,343,903	1,241,804	1,110,459	1,067,797
3	NET GAS UTILITY PLANT	4,985,631	4,652,763	4,352,195	4,113,736	3,863,593
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM. PROVISION FOR DEPR. AND AMORT	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	6,456,148	5,996,666	5,593,999	5,224,195	4,931,390
8	ACCUM. PROVISION FOR DEPR. AND AMORT	1,470,517	1,343,903	1,241,804	1,110,459	1,067,797
9	NET TOTAL UTILITY PLANT	4,985,631	4,652,763	4,352,195	4,113,736	3,863,593
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	-	-	-	-	-
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	-	-	-	-	-
13	OTHER INVESTMENTS	-	-	-	-	-
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	-	-	-	-	-
16	CASH	86,258	76,923	27,248	29,427	923,460
17	SPECIAL DEPOSITS	-	-	-	-	-
18	WORKING FUNDS	2,700	2,700	2,700	2,700	2,700
19	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	2,292,535	1,984,933	2,521,538	1,234,502	1,639,010
21	RECEIVABLES FROM ASSOCIATED COMPANIES	159-	760	2,888	687	74-
22	MATERIALS AND SUPPLIES	142,188	150,283	159,702	148,917	122,992
23	GAS STORED UNDERGROUND-CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	154,687	132,284	122,680	110,135	105,226
26	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
27	TOTAL CURRENT AND ACCRUED ASSETS	2,678,407	2,347,983	2,836,756	1,526,368	2,793,314
28	UNAMORTIZED DEBT EXPENSE	21,825	24,415	27,004	29,594	32,184
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL. SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
31	CLEARING ACCOUNTS	2,923-	6,039	4,698-	2,063	1,196
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	-	-	-	-	-
34	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
35	OTHER DEFERRED DEBITS	37,673	191,630	603,014	1,001,644	35,056
36	TOTAL DEFERRED DEBITS	56,575	222,084	625,320	1,033,301	68,436
37	TOTAL ASSETS AND OTHER DEBITS	$ 7,720,613	$ 7,222,710	$ 7,814,272	$ 6,673,405	$ 6,725,343
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 420,000	$ 420,000	$ 420,000	$ 420,000	$ 420,000
39	PREFERRED STOCK ISSUED	284,225	284,225	284,225	284,225	284,225
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	3,701	3,701	3,701	3,701	3,701
43	OTHER PAID-IN CAPITAL	300	300	300	300	300
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	12,723-	12,723-	12,723-	12,723-	12,723-
46	RETAINED EARNINGS	2,142,418	1,993,506	1,468,443	1,356,860	1,465,061
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
48	REACQUIRED CAPITAL STOCK	10,325-	10,325-	10,325-	10,325-	10,325-
49	TOTAL PROPRIETARY CAPITAL	2,827,595	2,678,664	2,153,621	2,042,048	2,150,239
50	BONDS (LESS BONDS REACQUIRED)	953,334	1,046,667	1,140,000	1,150,000	1,160,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	-	-	-	-	-
53	NET UNAMORTIZED PREMIUM + DISCOUNT	-	-	-	-	-
54	TOTAL LONG TERM DEBT	953,334	1,046,667	1,140,000	1,150,000	1,160,000
55	NOTES PAYABLE	700,000	120,000	600,000	1,010,000	-
56	ACCOUNTS PAYABLE	2,178,098	2,437,899	2,963,543	1,501,710	1,875,442
57	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
58	CUSTOMER DEPOSITS	130,680	88,083	124,409	97,600	101,345
59	TAXES ACCRUED	56,296	47,775	6,039	93,178-	80,667
60	INTEREST ACCRUED	14,356	11,681	11,273	15,377	13,541
61	DIVIDENDS DECLARED	3,595	3,595	3,595	3,595	3,595
62	TAX COLLECTIONS PAYABLE	49,662	37,918	53,739	36,072	33,107
63	OTHER CURRENT AND ACCRUED LIABILITIES	400,956	290,378	483,064	656,361	1,151,265
64	TOTAL CURRENT AND ACCRUED LIABILITIES	3,533,612	3,037,297	4,245,662	3,227,537	3,258,962
65	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	223,714	320,056	134,981	113,817	98,828
68	OTHER DEFERRED CREDITS	-	-	-	-	-
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	144,415	-	-	-	-
70	LIBERALIZED DEPRECIATION	37,943	-	-	-	-
71	OTHER	-	140,008	140,008	140,004	97,314
72	TOTAL DEFERRED CREDITS	406,072	460,082	274,989	253,821	196,142
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	-	-	-	-	-
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	-	-	-	-	-
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 7,720,613	$ 7,222,710	$ 7,814,272	$ 6,673,406	$ 6,725,343

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

SYRACUSE SUBURBAN GAS COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 21,011,694	$ 22,094,829	$ 17,072,736	$ 15,375,318	$ 14,903,494	1
OPERATION AND MAINTENANCE EXPENSE	19,023,525	19,827,268	15,759,785	14,376,028	13,792,268	2
DEPRECIATION EXPENSE	162,579	152,540	138,372	131,310	122,480	3
AMORTIZATION	7,734	20,093	20,026	20,547	-	4
TAXES OTHER THAN INCOME TAXES	1,108,292	1,106,598	875,937	768,570	752,947	5
INCOME TAXES	311,019	69,511	1,787	-	108,349	6
PROVISION FOR DEFERRED INCOME TAXES	47,408	-	-	-	630	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	130,826-	-	-	-	-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	20,527,729	21,176,012	16,795,907	15,296,455	14,773,673	12
NET OPERATING REVENUES	483,965	918,817	276,829	78,863	129,821	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	483,965	918,817	276,829	78,863	129,821	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	483,965	918,817	276,829	78,863	129,821	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	1,103	1,704	477	217	555	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	-	-	-	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	80,885	113,213	96,428	115,499	237,884	22
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	4,600	-	23
MISCELLANEOUS NONOPERATING INCOME	147-	147-	147-	147-	147-	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	81,841	114,770	96,758	120,169	238,292	26
TOTAL INCOME	565,806	1,033,587	373,587	199,032	368,113	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	28
INCOME TAXES-NONOPERATING	8,774-	185,073	21,167-	9,950	59,816	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	6,135	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	-	-	-	-	-	32
TOTAL INCOME DEDUCTIONS	8,774-	185,073	15,032-	9,950	59,816	33
INCOME BEFORE INTEREST CHARGES	574,580	848,514	388,619	189,082	308,297	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	106,816	116,477	117,792	118,352	119,240	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	2,590	2,590	2,589	2,590	2,590	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	133,883	64,003	142,285	98,951	35,677	39
TOTAL INTEREST CHARGES	243,289	183,070	262,666	219,893	157,507	40
INCOME BEFORE EXTRAORDINARY ITEMS	331,291	665,444	125,953	30,811-	150,790	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 331,291	$ 665,444	$ 125,953	$ 30,811-	$ 150,790	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 1,993,506	$ 1,468,443	$ 1,356,870	$ 1,465,061	$ 1,412,652	47
BALANCE TRANSFERRED FROM INCOME	331,291	665,444	125,954	30,811-	150,790	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	14,381	14,381	14,381	14,381	14,381	50
-COMMON STOCK	168,000	126,000	-	63,000	84,000	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,142,416	1,993,506	1,468,443	1,356,869	1,465,061	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,142,416	$ 1,993,506	$ 1,468,443	$ 1,356,869	$ 1,465,061	56
SELECTED BALANCE SHEET RELATIONSHIPS						
GAS UTILITY PLANT/DOLLAR OF GAS REVENUE	0.30	0.28	0.32	0.33	0.32	57
OTHER UTILITY PLT./DOLLAR OF OTHER REVENUE	-	-	-	-	-	58
TOTAL UTILITY PLT./DOLLAR OF TOTAL REVENUE	0.30	0.28	0.32	0.33	0.32	59
CURRENT ASSETS / BY CURRENT LIABILITIES	0.78	0.77	0.87	0.47	0.86	60
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	25.2	28.0	34.8	36.0	35.0	61
PREFERRED STOCK	7.5	7.8	8.6	8.9	8.5	62
COMMON STOCK AND OTHER PAID-IN CAPITAL	10.6	10.7	12.1	12.5	12.1	63
RETAINED EARNINGS	56.6	53.5	44.5	42.5	44.2	64
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	14.7	17.4	20.3	22.0	23.5	65
% OF NET UTILITY PLANT	19.1	22.4	26.1	27.9	30.0	66
ACCUM. PROVISION FOR DEPR.: % OF UTILITY PLT	22.7	22.4	22.1	21.2	21.6	67
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	68
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	90.5	89.7	92.3	93.5	92.5	69
GAS DEPRECIATION AND AMORTIZATION	0.8	0.7	0.9	0.9	0.8	70
TOTAL INCOME TAXES-GAS, OPERATING	1.0	0.3	-	-	0.7	71
OTHER TAXES-GAS, OPERATING	5.2	5.0	5.1	4.9	5.0	72
GAINS/LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-	73
TOTAL GAS OPERATING EXPENSE	97.6	95.8	98.3	99.4	99.1	74
GAS OPERATING INCOME	2.3	4.1	1.6	0.5	0.8	75
GAS DEPR. AND AMORT. % OF GAS UTILITY PLT	2.6	2.8	2.8	2.9	2.4	76
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	1.2	0.8	1.5	1.4	1.1	77
PRETAX INTEREST COVERAGE	3.3	6.0	1.4	0.9	3.0	78
NET INCOME-PERCENT OF OPERATING REVENUES	1.5	3.0	0.7	0.1-	1.0	79
DIVIDEND APPROPRIATIONS,PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	80
TIMES EARNED	23.0	46.3	8.8	2.0-	10.5	81
DIVIDEND APPROPRIATIONS,COMMON STOCK						
PERCENT OF OPERATING REVENUES	0.7	0.6	-	0.4	0.5	82
% OF EARNINGS AVAILABLE FOR COMMON	53.0	19.3	-	139.3-	61.5	83
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	12.8	30.5	6.1	2.3-	7.4	84
DIVIDEND APPROPRIATIONS, COMMON STOCK	6.8	5.9	-	3.4	4.5	85

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

SYRACUSE SUBURBAN GAS COMPANY, INC.

LINE NO		1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 331,291	$ 665,444	$ 125,953	$ 30,811-	$ 150,790
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	201,669	187,569	182,414	133,900	151,194
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	53,990-	185,073	21,187	37,784	35,754
4	INTEREST CAPITALIZED	-	-	-	4,600-	-
5	OTHER (NET)	162,919	-	443,661	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	641,889	1,038,086	753,215	136,253	337,738
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	641,889	1,038,086	753,215	136,253	337,738
10	LESS DIVIDENDS: PREFERRED	14,381	14,381	14,381	14,381	14,381
11	COMMON	168,000	126,000	-	63,000	84,000
12	NET FUNDS FROM INTERNAL SOURCES	459,508	897,705	738,834	58,871	239,357
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	580,000	-	-	1,010,000	-
17	OTHER (NET)	-	400,647	-		-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	580,000	400,647		1,010,000	-
20	OTHER SOURCES (NET)	-	-	117,737	-	250,992
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,039,508	$ 1,298,352	$ 856,571	$ 1,068,871	$ 490,349
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 531,946	$ 485,547	$ 400,871	$ 308,371	$ 480,349
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	-	-	-
27	OTHER	-	-	-	-	-
28	TOTAL GROSS ADDITIONS	531,946	485,547	400,871	308,371	480,349
29	LESS INTEREST CAPITALIZED	-	-	-	4,600	-
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	531,946	485,547	400,871	303,771	480,349
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	-	93,333	10,000	10,000	-
32	PREFERRED STOCK	93,333	-	-	-	10,000
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	480,000	410,000	-	-
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	93,333	573,333	420,000	10,000	10,000
38	OTHER USES (NET)	414,229	239,472	35,700	755,100	-
39						
40						
41	TOTAL FUNDS APPLIED	$ 1,039,508	$ 1,298,352	$ 856,571	$ 1,068,871	$ 490,349

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

SYRACUSE SUBURBAN GAS COMPANY, INC.

ITEM		1985	1984	1983	1982	1981	LINE NO
			GAS OPERATING REVENUES				
REVENUES							
RESIDENTIAL	$	2,269,277 $	2,552,242 $	2,434,680 $	1,887,422 $	1,576,634	1
COMMERCIAL AND INDUSTRIAL		18,672,394	19,444,671	14,546,178	13,402,822	13,266,782	2
OTHER SALES TO PUBLIC AUTHORITIES		-	-	-	-	32,374	3
INTERDEPARTMENTAL		-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS		20,941,671	21,996,913	16,980,858	15,290,244	14,875,790	5
RESALE		32,888	49,130	42,556	39,169	-	6
TOTAL REVENUES FROM SALES OF GAS		20,974,559	22,046,043	17,023,414	15,329,413	14,875,790	7
OTHER GAS OPERATING REVENUES		37,136	48,786	49,322	45,905	27,704	8
TOTAL GAS OPERATING REVENUES	$	21,011,695 $	22,094,829 $	17,072,736 $	15,375,318 $	14,903,494	9
GAS SALES (MCF)							
RESIDENTIAL		396,330	421,539	405,866	436,398	450,306	10
COMMERCIAL AND INDUSTRIAL		4,094,375	4,027,588	2,880,685	3,180,187	4,176,699	11
OTHER SALES TO PUBLIC AUTHORITIES		-	-	-	-	9,722	12
INTERDEPARTMENTAL		-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS		4,490,705	4,449,127	3,286,551	3,616,585	4,636,727	14
RESALE		7,638	11,023	9,175	9,625	-	15
TOTAL GAS SALES		4,498,343	4,460,150	3,295,726	3,626,210	4,636,727	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)							
RESIDENTIAL		3,132	3,141	3,155	3,115	3,156	17
COMMERCIAL AND INDUSTRIAL		935	914	902	882	904	18
OTHER SALES TO PUBLIC AUTHORITIES		-	-	-	-	1	19
INTERDEPARTMENTAL		-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS		4,067	4,055	4,057	3,997	4,061	21
RESALE		1	1	1	1	-	22
TOTAL CUSTOMERS		4,068	4,056	4,058	3,998	4,061	23
GAS OPERATING REVENUE RELATIONSHIPS							
RESIDENTIAL SALES							
AVERAGE ANNUAL BILL PER CUSTOMER		$ 724.55	$ 812.56	$ 771.69	$ 605.91	$ 499.57	24
AVERAGE MCF CONSUMPTION PER CUSTOMER		127	134	129	140	143	25
AVERAGE REVENUE PER MCF SOLD		$ 5.73	$ 6.05	$ 6.00	$ 4.33	$ 3.50	26
COMMERCIAL AND INDUSTRIAL SALES							
AVERAGE ANNUAL BILL PER CUSTOMER	$	19,970.47 $	21,274.26 $	16,126.58 $	15,195.94 $	14,675.64	27
AVERAGE MCF CONSUMPTION PER CUSTOMER		4,379	4,407	3,194	3,606	4,620	28
AVERAGE REVENUE PER MCF SOLD		$ 4.56	$ 4.83	$ 5.05	$ 4.21	$ 3.18	29
			GAS OPERATION AND MAINTENANCE EXPENSES				
PRODUCTION EXPENSES							
MANUFACTURED GAS							
STEAM		-	-	-	-	-	30
MANUFACTURED GAS		-	-	-	-	-	31
NATURAL GAS							
PRODUCTION AND GATHERING		-	-	-	-	-	32
EXPLORATION AND DEVELOPMENT							33
OTHER GAS SUPPLY EXPENSES							34
PURCHASED GAS		17,968,478	18,864,877	14,953,734	13,571,401	12,915,058	35
OTHER		4,844-	5,036-	4,437-	4,154-	3,459-	36
TOTAL PRODUCTION EXPENSE		17,963,634	18,859,841	14,949,297	13,567,247	12,911,599	37
NATURAL GAS STORAGE EXPENSES							
UNDERGROUND STORAGE EXPENSES		-	-	-	-	-	38
OTHER STORAGE EXPENSES		-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE		-	-	-	-	-	40
TRANSMISSION EXPENSES		-	-	-	-	-	41
DISTRIBUTION EXPENSES		425,449	368,924	304,379	279,984	321,687	42
CUSTOMER ACCOUNTS EXPENSES		144,683	128,249	135,254	122,876	103,183	43
SALES EXPENSES		24,760	26,624	25,302	22,697	19,682	44
ADMINISTRATIVE AND GENERAL EXPENSES		464,999	443,629	345,553	383,224	436,137	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$	19,023,525 $	19,827,268 $	15,759,785 $	14,376,028 $	13,792,288	46
			GAS UTILITY PLANT				
GAS UTILITY PLANT							
GAS PLANT IN SERVICE							47
INTANGIBLE PLANT	$	3,333 $	3,333 $	3,333 $	3,333 $	3,333	48
PRODUCTION PLANT							49
MANUFACTURED GAS PLANT		-	-	-	-	-	50
NATURAL GAS PLANT		131,778	139,543	153,164	173,189	-	51
NATURAL GAS STORAGE PLANT							52
UNDERGROUND STORAGE PLANT		-	-	-	-	-	53
OTHER STORAGE PLANT		-	-	-	-	-	54
TRANSMISSION PLANT		-	-	-	-	-	55
DISTRIBUTION PLANT		5,529,539	5,029,876	4,767,858	4,315,521	4,135,871	56
GENERAL PLANT		770,766	714,661	635,284	584,072	580,989	57
GAS PLANT PURCHASED OR SOLD		-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED		-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT		-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE		6,435,416	5,887,413	5,559,639	5,076,115	4,720,193	61
PLANT LEASED TO OTHERS		-	-	-	-	-	62
PLANT HELD FOR FUTURE USE		8,898	8,898	8,898	8,898	8,898	63
CONSTRUCTION WORK IN PROGRESS		11,835	100,356	25,462	139,180	202,299	64
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	65
TOTAL GAS UTILITY PLANT		6,456,148	5,996,666	5,593,999	5,224,195	4,931,390	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION		1,470,517	1,343,903	1,241,804	1,110,459	1,067,797	67
NET GAS UTILITY PLANT	$	4,985,631 $	4,652,763 $	4,352,195 $	4,113,736 $	3,863,593	68
PLANT IN SERVICE BEGINNING OF YEAR	$	5,887,413 $	5,559,639 $	5,076,117 $	4,720,193 $	4,353,429	69
ADDITIONS		633,475	445,939	534,973	481,559	480,349	70
RETIREMENTS		85,472	118,164	51,451	125,637	113,584	71
TRANSFERS AND ADJUSTMENTS		-	-	-	-	-	72
PLANT IN SERVICE END OF YEAR	$	6,435,415 $	5,887,412 $	5,559,639 $	5,076,117 $	4,720,193	73

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

SYRACUSE SUBURBAN GAS COMPANY, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 21,011,694	$ 22,094,829	$ 17,072,736	$ 15,375,318	$ 14,903,494
2	SALES (MCF)	4,498,343	4,460,150	3,295,726	3,628,210	4,636,727
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 17,963,534	$ 18,859,841	$ 14,949,297	$ 13,567,247	$ 12,911,599
4	WAGES AND BENEFITS	571,423	529,402	488,871	440,996	391,152
5	OTHER OPERATION AND MAINTENANCE EXPENSES	488,468	438,025	323,617	367,786	489,517
6	DEPRECIATION AND AMORTIZATION EXPENSES	170,313	172,633	158,297	151,867	122,480
7	INCOME TAXES - OPERATING	227,601	69,511	1,787		105,379
8	OTHER TAXES - OPERATING	1,108,292	1,106,598	875,937	768,570	752,947
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	243,289	183,070	262,966	215,293	157,507
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	14,381	14,381	14,381	14,381	14,381
11	EARNINGS AVAILABLE FOR COMMON EQUITY	226,295	721,366	218-	50,811-	47,367-
12	TOTAL	$ 21,011,694	$ 22,094,829	$ 17,072,736	$ 15,375,318	$ 14,903,494
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	85.5	85.4	87.6	88.2	86.6
14	WAGES AND BENEFITS	2.7	2.4	2.9	2.9	2.6
15	OTHER OPERATION AND MAINTENANCE EXPENSES	2.3	2.0	1.9	2.4	3.3
16	DEPRECIATION AND AMORTIZATION EXPENSES	0.8	0.8	0.9	1.0	0.8
17	INCOME TAXES - OPERATING	1.1	0.3	-	-	0.7
18	OTHER TAXES - OPERATING	5.3	5.0	5.1	5.0	5.1
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	1.2	0.8	1.5	1.4	1.1
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.1	0.1	0.1	0.1	0.1
21	EARNINGS AVAILABLE FOR COMMON EQUITY	1.1	3.3	-	0.3-	0.3-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.99	$ 4.23	$ 4.54	$ 3.74	$ 2.78
24	WAGES AND BENEFITS	0.13	0.12	0.15	0.12	0.08
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.11	0.10	0.10	0.10	0.11
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.04	0.04	0.05	0.04	0.03
27	INCOME TAXES - OPERATING	0.05	0.02	-	-	0.02
28	OTHER TAXES - OPERATING	0.25	0.25	0.27	0.21	0.16
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.05	0.04	0.08	0.06	0.03
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.05	0.16	-	0.03-	-
32	TOTAL	$ 4.67	$ 4.95	$ 5.18	$ 4.24	$ 3.21

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

SECTION III.

TELEPHONE SERVICE COMPANIES

Balance Sheets

Income Statements

Statements of Changes in Financial Position

Statements of Revenue, Plant, and Operation and Maintenance

Distribution of Telephone Revenues

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ADDISON HOME TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 3,955,911	$ 3,388,156	$ 3,273,081	$ 3,209,886	$ 3,077,353
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,320,655	1,407,828	1,261,516	1,138,794	1,011,249
3	NET TELEPHONE PLANT	2,635,256	1,980,328	2,011,565	2,071,092	2,066,104
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	-	-	-	-	-
9	CASH AND WORKING FUNDS	7,794	8,500	18,351	3,315	11,306
10	SPECIAL CASH DEPOSITS	50	50	50	50	50
11	TEMPORARY CASH INVESTMENTS	82,565	462,462	403,836	442,894	330,916
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	790	-	3,058	2,894	2,584
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	172,197	118,922	13,434	35,243	30,168
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	142,608	109,413	136,289	98,695	96,731
15	MATERIALS AND SUPPLIES*	33,953	25,414	37,770	22,737	29,445
16	PREPAYMENTS	49,403	48,052	82,688	43,130	61,392
17	OTHER CURRENT AND ACCRUED ASSETS	415,221	354,287	287,838	245,554	209,132
18	TOTAL CURRENT AND ACCRUED ASSETS	904,581	1,127,700	983,314	894,112	772,454
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	22,202	23,318	24,434	25,549	26,665
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	2,173	928	8,004
23	TOTAL DEFERRED DEBITS	22,202	23,318	26,607	26,477	34,669
24	TOTAL ASSETS AND OTHER DEBITS	3,562,039 $	3,131,346 $	3,021,486 $	2,991,681 $	2,873,227
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 243,000	$ 243,000	$ 243,000	$ 243,000	$ 243,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	21,000	21,000	21,000	21,000	21,000
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	780,445	659,955	602,173	604,000	506,534
34	TOTAL PROPRIETARY CAPITAL	1,044,445	923,955	866,173	868,000	770,534
35	BONDS(LESS BONDS REACQUIRED)	1,682,168	1,613,351	1,666,124	1,717,495	1,764,439
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	1,682,168	1,613,351	1,666,124	1,717,495	1,764,439
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	33,962	28,269	12,882	17,346	10,039
40	OTHER NOTES AND ACCOUNTS PAYABLE	302,111	186,299	147,308	50,832	69,750
41	CUSTOMERS' DEPOSITS	-	10,195	10,100	10,365	3,430
42	ADVANCE BILLING AND PAYMENTS	32,634	28,823	27,314	21,631	27,200
43	TAXES ACCRUED	3,783	2,320	8,789	7,899	4,812
44	OTHER CURRENT AND ACCRUED LIABILITIES	34,109	43,968	45,687	70,157	45,011
45	TOTAL CURRENT AND ACCRUED LIABILITIES	406,829	298,874	246,620	184,230	166,242
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	160,855	107,984	104,101	103,780	79,532
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	160,855	107,984	104,101	103,780	79,532
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	267,742	187,182	138,068	118,176	92,480
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,562,039 $	3,131,346 $	3,021,486 $	2,991,681 $	2,873,227
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.61	2.86	2.60	2.72	3.37
54	CURRENT ASSETS/CURRENT LIABILITIES	2.22	3.77	3.99	4.85	4.65
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	61.6	63.5	65.7	66.4	69.6
56	PREFERRED STOCK	-	-	-	-	-
57	COMMON STOCK+OTHER PAID-IN CAPITAL	9.6	10.4	10.4	10.2	10.4
58	RETAINED EARNINGS	28.6	26.0	23.7	23.3	19.9
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	42.5	47.6	50.9	53.5	57.3
60	PERCENT OF NET TELEPHONE PLANT	63.8	81.4	82.8	82.9	85.3
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	33.3	41.5	38.5	35.4	32.8

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

ADDISON HOME TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,307,510	$ 1,253,704	$ 1,246,160	$ 1,154,085	$ 881,889	1
OPERATION AND MAINTENANCE EXPENSE	768,950	731,877	710,058	654,623	578,256	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	170,854	165,030	129,568	125,041	117,668	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	143,744	140,132	168,278	174,892	143,479	6
INCOME TAXES-OPERATING	8,147-	22,184	34,579	43,909	7,753	7
OPERATING INCOME TAXES DEFERRED	80,760	50,359	38,620	29,273	26,749	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	1,846-	10,028-	3,578-	-	9
TOTAL OPERATING EXPENSES	1,154,161	1,107,715	1,069,175	1,024,120	823,703	10
TOTAL TELEPHONE OPERATING INCOME	153,349	145,989	176,985	129,965	58,186	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	32,036	44,773	36,241	35,602	56,240	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	9,348	3,630	7,386	7,849	5,260	17
TOTAL OTHER INCOME	41,384	48,403	43,627	43,451	61,500	18
TOTAL INCOME	194,733	194,392	220,612	173,416	119,686	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	20,378	16,297	16,040	2,531	21
MISCELLANEOUS INCOME CHARGES	9,948	4,525	39,315	2,310-	2,348	22
TOTAL INCOME DEDUCTIONS	9,948	24,903	55,612	13,730	4,879	23
INCOME BEFORE INTEREST CHARGES	184,785	169,489	165,000	159,686	114,807	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	56,023	56,418	56,850	58,184	59,229	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	1,116	1,116	1,116	1,116	1,116	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	7,162	5,473	4,428	2,920	1,631	29
TOTAL INTEREST CHARGES	64,301	63,007	62,394	62,220	61,976	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	120,484	106,482	102,606	97,466	52,831	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	7,333-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	7,333-	-	-	35
NET INCOME	$ 120,484	$ 106,482	$ 95,273	$ 97,466	$ 52,831	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 659,955	$ 602,073	$ 604,000	$ 506,534	$ 434,983	37
BALANCE TRANSFERRED FROM INCOME	120,484	106,482	95,273	97,466	52,831	38
MISCELLANEOUS CREDITS	-	-	-	-	18,720	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	-	48,600	97,200	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	780,439	659,955	602,073	604,000	506,534	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 780,439	$ 659,955	$ 602,073	$ 604,000	$ 506,534	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	58.8	58.3	56.9	56.7	65.6	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	13.0	13.1	10.3	10.8	13.3	49
TOTAL INCOME TAXES-OPERATING	5.6	5.6	4.9	6.0	3.9	50
OTHER TAXES-OPERATING	10.9	11.1	13.5	15.1	16.2	51
TOTAL OPERATING EXPENSES	88.2	88.3	85.7	88.7	93.4	52
OPERATING INCOME	11.7	11.6	14.2	11.2	6.6	53
DEPR. AND AMORT % OF TELEPHONE PLANT	4.3	4.8	3.9	3.8	3.8	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	4.9	5.0	5.0	5.4	7.0	55
PRETAX INTEREST COVERAGE	2.9	4.1	3.8	3.8	2.4	56
NET INCOME-PERCENT OF OPERATING REVENUES	9.2	8.4	7.6	8.4	6.0	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	58
TIMES EARNED	-	-	-	-	-	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	-	3.8	7.7	-	-	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	-	45.6	102.0	-	-	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	12.2	11.8	10.9	11.8	7.1	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	5.4	11.2	-	-	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ADDISON HOME TELEPHONE COMPANY

LINE NO.	ITEM		1985		1984		1983		1982		1981
	FUNDS PROVIDED										
	INTERNAL SOURCES										
1	INCOME BEFORE EXTRAORDINARY ITEMS	$	120,490	$	106,482	$	95,273	$	97,466	$	52,831
	NON-CASH CHARGES(CREDITS) TO INCOME										
2	DEPRECIATION AND AMORTIZATION		188,013		181,437		148,055		140,525		132,399
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		133,631		52,397		20,813		49,944		25,676
4	INTEREST CAPITALIZED		-		-		-		-		-
5	OTHER (NET)		-				-		-		-
6											
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS		442,134		340,318		264,141		287,935		210,906
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES		-		-		-		-		-
9	TOTAL FUNDS FROM INTERNAL SOURCES		442,134		340,318		264,141		287,935		210,906
10	LESS DIVIDENDS: PREFERRED				-		-		-		
11	COMMON		-		48,600		97,200		-		
12	NET FUNDS FROM INTERNAL SOURCES		442,134		291,718		166,941		287,935		210,906
	EXTERNAL SOURCES										
13	LONG TERM DEBT		68,817		-		-				
14	PREFERRED STOCK		-		-		-		-		-
15	COMMON STOCK		-		-		-		-		-
16	NET INCREASE IN SHORT TERM DEBT		-		-		-		-		-
17	OTHER (NET)		-		-		-		-		-
18											
19	TOTAL FUNDS FROM EXTERNAL SOURCES		68,817		-		-		-		-
20	OTHER SOURCES (NET)		328,890		43,894		22,949		26,633		109,523
21											
22											
23	TOTAL FUNDS PROVIDED	$	845,921	$	335,610	$	189,890	$	314,568	$	320,429
	FUNDS APPLIED										
	CONSTRUCTION EXPENDITURES										
	GROSS ADDITIONS										
24	TELEPHONE PLANT	$	845,921	$	156,769	$	95,974	$	145,692	$	251,141
25	NON-UTILITY PLANT		-		-		-		-		-
26	OTHER		-		-		-		-		-
27	TOTAL GROSS ADDITIONS		845,921		156,769		95,974		145,692		251,141
28	LESS INTEREST CAPITALIZED		-		-		-		-		-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		845,921		156,769		95,974		145,692		251,141
	RETIREMENT OF DEBT AND SECURITIES										
30	LONG TERM DEBT		-		52,773		51,371		46,944		44,831
31	PREFERRED STOCK				-		-				-
32	REDEMPTION OF CAPITAL STOCK		-		-		-		-		-
33	NET DECREASE IN SHORT TERM DEBT		-		-		-		-		-
34	OTHER (NET)		-		-		-		-		-
35											
36	TOTAL RETIREMENT OF DEBT AND SECURITIES		-		52,773		51,371		46,944		44,831
37	OTHER USES (NET)		-		126,068		42,545		121,932		24,457
38											
39											
40	TOTAL FUNDS APPLIED	$	845,921	$	335,610	$	189,890	$	314,568	$	320,429

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT

YEARS ENDING DECEMBER 31

ADDISON HOME TELEPHONE COMPANY

TELEPHONE OPERATING REVENUES

ITEM	1985	1984	1983	1982	1981	LINE NO
OPERATING REVENUES						
LOCAL REVENUES	$ 347,096	$ 337,973	$ 332,724	$ 328,745	$ 328,997	1
ACCESS REVENUES	385,720					2
TOLL REVENUES	491,697	868,909	871,491	792,414	525,153	3
MISCELLANEOUS REVENUES	113,313	49,125	44,259	34,680	32,000	4
UNCOLLECTIBLE REVENUES-DR	10,310	2,303	2,314	1,754	4,261	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,307,516	$ 1,253,704	$ 1,246,160	$ 1,154,085	$ 881,889	6
TELEPHONE ACCESS LINES IN SERVICE	2,679	2,607	2,579	2,563	2,563	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 131.33	$ 130.34	$ 129.41	$ 128.27	$ 128.21	8
ACCESS REVENUE	138.37					9
TOLL REVENUE	186.04	335.10	338.97	309.17	204.66	10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM	1985	1984	1983	1982	1981	LINE NO
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 198,894	$ 196,299	$ 188,886	$ 104,292	$ 150,523	11
DEPRECIATION + AMORTIZATION EXPENSES	170,854	165,009	129,568	125,041	117,566	12
TRAFFIC EXPENSES	62,850	52,135	10,574	13,264	12,460	13
COMMERCIAL EXPENSES	36,033	39,759	41,582	21,892	8,009	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	290,902	278,018	298,099	281,089	234,293	16
OTHER OPERATING EXPENSES	178,271	166,668	170,937	134,086	112,771	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 937,804	$ 896,888	$ 839,626	$ 773,864	$ 645,722	18

TELEPHONE UTILITY PLANT

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 3,939,407	$ 3,383,354	$ 3,264,348	$ 3,178,264	$ 3,045,991	19
PLANT UNDER CONSTRUCTION	16,504	4,802	8,733	2,785	2,525	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-		22
PLANT ADJUSTMENTS	-	-	-	28,837	28,837	23
TOTAL TELEPHONE UTILITY PLANT	3,955,911	3,388,156	3,273,081	3,209,886	3,077,353	24
ACCUMULATED PROVISION FOR DEPR+AMORT	1,320,655	1,407,828	1,261,516	1,138,794	1,011,249	25
NET TELEPHONE PLANT	$ 2,635,256	$ 1,980,328	$ 2,011,565	$ 2,071,092	$ 2,066,104	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 3,383,354	$ 3,264,348	$ 3,178,264	$ 3,045,991	$ 2,852,836	27
ADDITIONS	834,219	160,700	118,368	145,432	300,364	28
RETIREMENTS	278,166	41,694	32,778	13,159	107,209	29
TRANSFERS AND ADJUSTMENTS	-	-	106-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 3,939,407	$ 3,383,354	$ 3,264,348	$ 3,178,264	$ 3,045,991	31

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MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

ADDISON HOME TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,307,516	$ 1,253,704	$ 1,246,160	$ 1,154,085	$ 881,889
2	ACCESS LINES (AVERAGE*)	2,543	2,593	2,571	2,563	2,566
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 332,639	$ 337,157	$ 372,695	$ 265,164	$ 217,589
4	OTHER OPERATION AND MAINTENANCE EXPENSES	434,311	394,720	337,363	389,459	310,467
5	DEPRECIATION AND AMORTIZATION EXPENSES	170,854	165,009	129,568	125,041	117,666
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	72,613	70,697	61,171	69,604	34,502
8	OTHER TAXES - OPERATING	143,744	140,132	168,378	174,852	143,479
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	64,301	63,007	62,394	62,220	61,376
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	89,054	82,982	114,591	67,745	3,790-
12	TOTAL	$ 1,307,516	$ 1,253,704	$ 1,246,160	$ 1,154,085	$ 881,889
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	25.4	26.9	29.9	23.0	24.7
14	OTHER OPERATION AND MAINTENANCE EXPENSES	33.2	31.5	27.1	33.7	35.2
15	DEPRECIATION AND AMORTIZATION EXPENSES	13.1	13.2	10.4	10.8	13.3
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	5.6	5.6	4.9	6.0	3.9
18	OTHER TAXES - OPERATING	11.0	11.2	13.5	15.2	16.3
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.9	5.0	5.0	5.4	7.0
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	6.8	6.6	9.2	5.9	0.3-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 10.49	$ 10.84	$ 12.08	$ 8.62	$ 7.07
24	OTHER OPERATION AND MAINTENANCE EXPENSES	13.69	12.69	10.93	12.66	10.08
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.39	5.30	4.20	4.07	3.82
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.29	2.27	1.98	2.26	1.12
28	OTHER TAXES - OPERATING	4.53	4.50	5.46	5.69	4.66
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.03	2.02	2.02	2.02	2.01
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	2.81	2.67	3.71	2.20	0.11-
32	TOTAL	$ 41.23	$ 40.29	$ 40.39	$ 37.52	$ 28.64

* YEAR END AVERAGE

COMMUNICATIONS

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MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ALLTEL NEW YORK, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 118,884,852	$ 111,809,182	$ 107,870,014	$ 104,058,302	$ 98,839,096
2	ACCUMULATED PROVISION FOR DEPR+AMORT	41,337,057	37,301,068	33,416,669	30,094,484	27,632,462
3	NET TELEPHONE PLANT	77,547,795	74,508,114	74,453,345	73,963,818	71,206,634
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	587,812	521,929	367,022	66,031	56,889
7	OTHER INVESTMENTS AND FUNDS	1,050,910	803,820	499,749	-	-
8	TOTAL INVESTMENTS AND FUNDS	1,638,722	1,325,749	866,771	66,031	56,889
9	CASH AND WORKING FUNDS	20,167	259,814	462,323	309,951	50,674
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	205,656	142,480	23,523	118,278	118,322
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	4,721,411	4,374,780	974,764	362,499	174,613
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	3,802,092	4,242,217	3,902,225	3,684,564	3,469,530
15	MATERIALS AND SUPPLIES*	1,102,506	1,148,573	1,035,135	524,975	502,043
16	PREPAYMENTS	679,154	758,426	763,006	660,734	662,732
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	10,530,986	10,928,290	7,160,976	5,661,001	4,977,914
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	213,250	250,731	286,152	267,586	241,977
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	118,824	315,513	446,658	324,501	218,541
23	TOTAL DEFERRED DEBITS	332,074	566,244	732,810	592,087	460,518
24	TOTAL ASSETS AND OTHER DEBITS	90,049,577	$ 87,326,397	$ 83,213,902	$ 80,282,937	$ 76,701,955
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 16,645,493	$ 16,645,493	$ 16,645,493	$ 16,645,493	$ 16,645,493
26	PREFERRED CAPITAL STOCK	4,200,000	4,450,000	4,700,000	4,950,000	5,200,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	4,548,000	4,550,605	4,548,000	4,548,000	4,548,000
32	CAPITAL STOCK EXPENSE	41,680-	46,890-	46,890-	49,495-	52,100-
33	RETAINED EARNINGS	14,049,198	12,523,283	11,501,231	10,548,987	9,697,138
34	TOTAL PROPRIETARY CAPITAL	39,401,011	38,122,491	37,347,834	36,642,985	36,038,531
35	BONDS(LESS BONDS REACQUIRED)	29,416,700	31,291,850	32,810,501	32,326,650	28,514,800
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	29,416,700	31,291,850	32,810,501	32,326,650	28,514,800
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	3,386,323	5,119,205	1,106,800	1,162,664	3,197,320
40	OTHER NOTES AND ACCOUNTS PAYABLE	3,778,903	447,697	993,944	844,595	868,151
41	CUSTOMERS DEPOSITS	117,735	-	164,943	136,145	116,590
42	ADVANCE BILLING AND PAYMENTS	772,044	1,041,806	909,755	851,364	769,979
43	TAXES ACCRUED	542,250	512,101	18,345	313,702	571,800
44	OTHER CURRENT AND ACCRUED LIABILITIES	1,562,357	1,461,435	1,420,312	1,177,497	949,430
45	TOTAL CURRENT AND ACCRUED LIABILITIES	10,159,612	8,582,244	4,614,099	4,485,967	6,473,270
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	3,619,945	3,272,195	2,854,863	2,341,882	2,028,560
48	OTHER DEFERRED CREDITS	415,669	259,953	277,381	-	-
49	TOTAL DEFERRED CREDITS	4,035,614	3,532,148	3,132,244	2,341,882	2,028,560
50	OPERATING RESERVES	566,360	536,714	979,237	950,638	747,788
51	ACCUMULATED DEFERRED INCOME TAXES	6,470,280	5,260,950	4,329,987	3,534,815	2,899,006
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 90,049,577	$ 87,326,397	$ 83,213,902	$ 80,282,937	$ 76,701,955
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.68	2.78	2.87	2.96	3.08
54	CURRENT ASSETS/CURRENT LIABILITIES	1.04	1.27	1.55	1.26	0.77
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	42.7	45.0	46.7	46.8	44.1
56	PREFERRED STOCK	6.1	6.4	6.6	7.1	8.0
57	COMMON STOCK+OTHER PAID-IN CAPITAL	30.7	30.4	30.1	30.6	32.7
58	RETAINED EARNINGS	20.4	18.0	16.3	15.2	15.0
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	24.7	27.9	30.4	31.0	28.8
60	PERCENT OF NET TELEPHONE PLANT	37.9	41.9	44.0	43.7	40.0
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	34.7	33.3	30.9	28.9	27.9

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

ALLTEL NEW YORK, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 42,997,510	$ 39,474,530	$ 36,914,363	$ 34,252,163	$ 31,415,958	1
OPERATION AND MAINTENANCE EXPENSE	16,335,516	17,274,387	16,470,081	14,312,409	12,544,323	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	7,110,434	7,044,124	6,297,160	5,469,865	5,028,433	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	4,976,540	5,117,850	4,875,366	4,430,033	4,138,247	6
INCOME TAXES-OPERATING	4,664,376	2,609,768	1,895,129	2,434,160	2,334,717	7
OPERATING INCOME TAXES DEFERRED	1,489,909	1,329,670	1,196,096	936,386	616,624	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	284,349-	408,488-	407,044-	313,285-	284,747-	9
TOTAL OPERATING EXPENSES	34,292,426	32,967,311	30,326,788	27,269,568	24,377,597	10
TOTAL TELEPHONE OPERATING INCOME	8,705,084	6,507,219	6,587,575	6,982,595	7,038,361	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	101,852	87,228	30,229	21,976	21,660	13
ALLOWANCE FOR CONSTRUCTION FUNDS	245,825	181,229	165,955	191,232	174,255	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	4,475	101,023	127,032-	217,060	268,401	17
TOTAL OTHER INCOME	352,152	369,480	69,152	430,268	464,316	18
TOTAL INCOME	9,057,236	6,876,699	6,656,727	7,412,863	7,502,677	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	62,799	33,647	18,683	5,318	345	20
INCOME TAXES-NONOPERATING	173,738-	107,363-	157,160-	26,487-	14,947-	21
MISCELLANEOUS INCOME CHARGES	33,266	49,424	36,238	33,365	27,728	22
TOTAL INCOME DEDUCTIONS	77,673-	24,292-	102,239-	12,196	13,726	23
INCOME BEFORE INTEREST CHARGES	9,134,909	6,900,391	6,758,966	7,400,667	7,488,951	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	3,300,937	3,472,856	3,291,401	2,824,955	2,707,164	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	37,481	40,764	39,091	34,187	29,063	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	86,959	30,045	247,137	508,812	465,531	29
TOTAL INTEREST CHARGES	3,425,377	3,543,665	3,577,629	3,367,954	3,201,758	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	5,709,532	3,357,326	3,181,337	4,032,713	4,287,193	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	2,980	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	5,237-	4,284-	85,638-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	2,409-	600-	39,394-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	2,828-	704-	46,244-	-	-	35
NET INCOME	$ 5,706,704	$ 3,356,622	$ 3,135,093	$ 4,032,713	$ 4,287,193	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 12,523,283	$ 11,501,233	$ 10,548,987	$ 9,697,138	$ 8,747,036	37
BALANCE TRANSFERRED FROM INCOME	5,706,703	3,356,622	3,135,093	4,032,713	4,287,193	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	2,605	2,605	2,605	2,605	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	408,823	430,573	454,323	478,070	485,000	42
-COMMON STOCK	3,771,360	1,901,394	1,725,921	2,700,189	2,852,091	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	14,049,198	12,523,283	11,501,231	10,548,987	9,697,138	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 14,049,198	$ 12,523,283	$ 11,501,231	$ 10,548,987	$ 9,697,138	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	37.9	43.7	44.6	41.7	39.9	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	16.5	17.8	17.0	15.9	16.0	49
TOTAL INCOME TAXES-OPERATING	13.7	8.9	7.3	8.9	8.5	50
OTHER TAXES-OPERATING	11.5	12.9	13.2	12.9	13.1	51
TOTAL OPERATING EXPENSES	79.7	83.5	82.1	79.6	77.5	52
OPERATING INCOME	20.2	16.4	17.8	20.3	22.4	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.9	6.3	5.8	5.2	5.0	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	8.0	9.0	9.7	9.8	10.2	55
PRETAX INTEREST COVERAGE	4.3	2.9	2.5	3.0	3.1	56
NET INCOME-PERCENT OF OPERATING REVENUES	13.2	8.5	8.4	11.7	13.6	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.9	1.0	1.2	1.3	1.5	58
TIMES EARNED	14.0	7.8	6.9	8.4	8.8	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	8.7	4.8	4.6	7.8	9.0	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	71.1	64.9	64.3	75.9	75.0	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	15.3	8.8	8.3	11.3	12.5	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.9	5.7	5.3	8.6	9.3	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ALLTEL NEW YORK, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 5,706,703	$ 3,356,622	$ 3,135,093	$ 4,032,713	$ 4,287,193
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	7,129,915	7,079,545	6,290,037	5,444,256	5,233,431
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	1,567,080	1,348,295	1,308,153	949,131	780,406
4	INTEREST CAPITALIZED	245,825-	181,229-	165,955-	191,232-	174,255-
5	OTHER (NET)	230,225	220,422	197,706	184,522	
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	14,378,098	11,823,655	10,765,034	10,419,390	10,126,775
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-		-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	14,378,098	11,823,655	10,765,034	10,419,390	10,126,775
10	LESS DIVIDENDS PREFERRED	406,823	430,571	454,323	478,070	485,000
11	COMMON	3,771,360	1,901,394	1,725,921	2,700,189	2,852,091
12	NET FUNDS FROM INTERNAL SOURCES	10,199,915	9,491,690	8,584,790	7,241,131	6,789,684
	EXTERNAL SOURCES					
13	LONG TERM DEBT		-	3,500,000	5,500,000	
14	PREFERRED STOCK	-	-	-	-	
15	COMMON STOCK		-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	2,096,612	33,662	31,995	-	2,406,793
17	OTHER (NET)	-	-	-	-	
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	2,096,612	33,662	3,531,995	5,500,000	2,406,793
20	OTHER SOURCES (NET)	41,928-	427,160	711,218	752,974	713,987
21						
22						
23	TOTAL FUNDS PROVIDED	$ 12,254,599	$ 9,952,512	$ 12,828,003	$ 13,494,105	$ 9,910,464
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 10,375,274	$ 7,912,684	$ 7,996,743	$ 9,173,687	$ 9,257,677
25	NON-UTILITY PLANT	-	-	-	-	
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	10,375,274	7,912,684	7,996,743	9,173,687	9,257,677
28	LESS INTEREST CAPITALIZED	245,825	181,229	165,355	191,232	174,255
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	10,129,449	7,731,455	7,830,788	8,982,455	9,083,422
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	1,875,150	1,518,651	3,016,149	1,688,150	563,650
31	PREFERRED STOCK	250,000	250,000	250,000	250,000	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-		-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	1,989,566	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	2,125,150	1,768,651	3,266,149	3,927,716	563,650
37	OTHER USES (NET)	-	452,406	1,731,066	583,934	263,392
38						
39						
40	TOTAL FUNDS APPLIED	$ 12,254,599	$ 9,952,512	$ 12,828,003	$ 13,494,105	$ 9,910,464

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT

YEARS ENDING DECEMBER 31

ALLTEL NEW YORK, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 23,954,833	$ 20,989,656	$ 18,915,557	$ 17,539,884	$ 16,276,495	1
ACCESS REVENUES	8,757,571					2
TOLL REVENUES	5,875,112	13,070,983	16,082,441	15,096,388	13,743,307	3
MISCELLANEOUS REVENUES	4,549,794	5,553,916	2,102,065	1,863,421	1,617,506	4
UNCOLLECTIBLE REVENUES-DR	139,800	140,025	185,700	247,530	221,350	5
TOTAL TELEPHONE OPERATING REVENUE	$ 42,997,510	$ 39,474,330	$ 36,914,363	$ 34,252,163	$ 31,415,958	6
TELEPHONE ACCESS LINES IN SERVICE	76,550	74,927	71,464	70,330	69,354	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 316.28	$ 286.76	$ 266.80	$ 251.14	$ 250.21	8
ACCESS REVENUE	115.63					9
TOLL REVENUE	77.57	178.58	226.84	216.15	211.32	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 6,480,307	$ 6,178,463	$ 5,935,798	$ 5,078,348	$ 4,531,203	11
DEPRECIATION + AMORTIZATION EXPENSES	7,110,434	7,044,124	6,297,160	5,469,865	5,028,433	12
TRAFFIC EXPENSES	1,619,971	1,907,659	1,587,588	1,719,801	1,658,581	13
COMMERCIAL EXPENSES	2,815,627	3,494,310	3,109,578	2,661,027	2,356,088	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	4,229,334	4,113,472	3,539,062	2,903,342	2,425,621	16
OTHER OPERATING EXPENSES	1,190,277	1,580,483	2,298,055	1,949,891	1,572,830	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 23,445,950	$ 24,318,511	$ 22,767,241	$ 19,782,274	$ 17,572,756	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 112,560,617	$ 109,124,554	$ 105,727,742	$ 102,175,889	$ 97,882,977	19
PLANT UNDER CONSTRUCTION	6,115,971	2,430,430	1,888,074	1,628,915	693,479	20
PROPERTY HELD FOR FUTURE USE	59,704	105,638	105,638	104,938	114,080	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	148,560	148,560	148,560	148,560	148,560	23
TOTAL TELEPHONE UTILITY PLANT	118,884,852	111,809,182	107,870,014	104,058,302	98,839,096	24
ACCUMULATED PROVISION FOR DEPR+AMORT	41,337,057	37,301,068	33,416,669	30,094,484	27,632,462	25
NET TELEPHONE PLANT	$ 77,547,795	$ 74,508,114	$ 74,453,345	$ 73,963,818	$ 71,206,634	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 109,124,554	$ 105,727,742	$ 102,175,889	$ 97,882,978	$ 93,517,615	27
ADDITIONS	6,669,785	7,202,281	7,431,545	8,238,250	9,230,423	28
RETIREMENTS	3,233,722	3,805,469	3,879,692	3,945,339	4,865,060	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 112,560,617	$ 109,124,554	$ 105,727,742	$ 102,175,889	$ 97,882,978	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

ALLTEL NEW YORK, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 42,997,510	$ 39,474,530	$ 36,914,363	$ 34,252,163	$ 31,415,958
2	ACCESS LINES (AVERAGE*)	75,739	73,196	70,897	69,842	65,037
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 5,999,112	$ 6,736,158	$ 7,215,564	$ 6,836,663	$ 6,506,091
4	OTHER OPERATION AND MAINTENANCE EXPENSES	10,336,404	10,538,229	9,254,517	7,475,746	6,038,232
5	DEPRECIATION AND AMORTIZATION EXPENSES	7,110,434	7,044,124	6,297,160	5,469,865	5,028,433
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	5,869,936	3,530,950	2,684,181	3,057,261	2,666,594
8	OTHER TAXES - OPERATING	4,976,540	5,117,850	4,875,366	4,430,033	4,138,247
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3,357,752	3,474,067	3,562,158	3,284,003	3,129,616
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	394,117	416,284	432,503	463,919	472,105
11	EARNINGS AVAILABLE FOR COMMON EQUITY	4,953,215	2,616,868	2,592,914	3,234,673	3,436,640
12	TOTAL	$ 42,997,510	$ 39,474,530	$ 36,914,363	$ 34,252,163	$ 31,415,958
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	14.0	17.1	19.5	20.0	20.7
14	OTHER OPERATION AND MAINTENANCE EXPENSES	24.0	26.7	25.1	21.8	19.2
15	DEPRECIATION AND AMORTIZATION EXPENSES	16.5	17.8	17.1	16.0	16.0
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	13.7	8.9	7.3	8.9	8.5
18	OTHER TAXES - OPERATING	11.6	13.0	13.2	12.9	13.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.8	8.8	9.6	9.6	10.0
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.9	1.1	1.2	1.4	1.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	11.5	6.6	7.0	9.4	10.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 6.60	$ 7.67	$ 8.48	$ 8.16	$ 8.34
24	OTHER OPERATION AND MAINTENANCE EXPENSES	11.37	12.00	10.88	8.92	7.74
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.82	8.02	7.40	6.53	6.44
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	6.46	4.02	3.16	3.65	3.42
28	OTHER TAXES - OPERATING	5.48	5.83	5.73	5.29	5.30
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.69	3.96	4.19	3.92	4.01
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.43	0.47	0.51	0.55	0.60
31	EARNINGS AVAILABLE FOR COMMON EQUITY	5.45	2.98	3.05	3.86	4.40
32	TOTAL	$ 47.31	$ 44.94	$ 43.39	$ 40.87	$ 40.25

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

AT&T COMMUNICATIONS OF NEW YORK, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
		ASSETS AND OTHER DEBITS				
1	TELEPHONE PLANT	$ 938,214,599	$ 897,765,255	-	-	-
2	ACCUMULATED PROVISION FOR DEPR+AMORT	230,616,784	203,315,934	-	-	-
3	NET TELEPHONE PLANT	707,597,815	694,449,321	-	-	-
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	1,246,697	3,193,671	-	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	1,246,697	3,193,671	-	-	-
9	CASH AND WORKING FUNDS	420,381	23,694,643-	-	-	-
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	1,539,580	5,452,456	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	394,810,477	280,782,121	-	-	-
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	112,246,304	122,871,285	-	-	-
15	MATERIALS AND SUPPLIES*	1,116,712	1,146,420	-	-	-
16	PREPAYMENTS	16,288,748	644,318	-	-	-
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	526,422,212	387,201,957	-	-	-
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	-	-	-	-	-
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	356,936	203,210-	-	-	-
23	TOTAL DEFERRED DEBITS	356,936	203,210-	-	-	-
24	TOTAL ASSETS AND OTHER DEBITS	1,235,623,660	$ 1,084,641,739	-	-	-
		LIABILITIES AND OTHER CREDITS				
25	COMMON CAPITAL STOCK	$ 1,000	$ 1,000	-	-	-
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	40,000,000	40,000,000	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	337,361,667	314,927,661	-	-	-
34	TOTAL PROPRIETARY CAPITAL	377,362,667	354,928,661	-	-	-
35	BONDS(LESS BONDS REACQUIRED)	-	-	-	-	-
36	ADVANCES FROM AFFILIATED COMPANIES	235,875,000	187,250,000	-	-	-
37	OTHER LONG-TERM DEBT	1,889,904	1,851,199	-	-	-
38	TOTAL LONG-TERM DEBT	237,764,904	189,101,199	-	-	-
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	150,297,643	241,670,067	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	233,981,014	124,862,555	-	-	-
41	CUSTOMERS' DEPOSITS	-	-	-	-	-
42	ADVANCE BILLING AND PAYMENTS	1,328,819	462,498	-	-	-
43	TAXES ACCRUED	58,960,984	14,614,823	-	-	-
44	OTHER CURRENT AND ACCRUED LIABILITIES	-	-	-	-	-
45	TOTAL CURRENT AND ACCRUED LIABILITIES	444,568,456	381,609,943	-	-	-
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	32,979,771	36,844,193	-	-	-
48	OTHER DEFERRED CREDITS	457,260	201	-	-	-
49	TOTAL DEFERRED CREDITS	33,437,031	36,844,394	-	-	-
50	OPERATING RESERVES	967,187-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	143,469,789	122,157,542	-	-	-
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,235,623,660	$ 1,084,641,739	-	-	-
		SELECTED BALANCE SHEET RELATIONSHIPS				
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	0.49	0.50	-	-	-
54	CURRENT ASSETS/CURRENT LIABILITIES	1.18	1.01	-	-	-
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	38.6	34.7	-	-	-
56	PREFERRED STOCK	-	-	-	-	-
57	COMMON STOCK+OTHER PAID-IN CAPITAL	6.5	7.3	-	-	-
58	RETAINED EARNINGS	54.8	57.8	-	-	-
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	25.3	21.0	-	-	-
60	PERCENT OF NET TELEPHONE PLANT	33.6	27.2	-	-	-
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	24.5	22.6	-	-	-

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

AT&T COMMUNICATIONS OF NEW YORK, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,877,464,960	$ 1,756,029,767	-	-	-	1
OPERATION AND MAINTENANCE EXPENSE	1,567,240,256	1,500,292,420	-	-	-	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	64,214,052	41,705,350	-	-	-	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	107,203,473	115,219,056	-	-	-	6
INCOME TAXES-OPERATING	44,314,508	22,035,596	-	-	-	7
OPERATING INCOME TAXES DEFERRED	35,934,838	25,846,509	-	-	-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	14,622,589-	8,558,760-	-	-	-	9
TOTAL OPERATING EXPENSES	1,804,284,533	1,696,540,171	-	-	-	10
TOTAL TELEPHONE OPERATING INCOME	73,180,427	59,489,596	-	-	-	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	47,369-	56,560	-	-	-	13
ALLOWANCE FOR CONSTRUCTION FUNDS	777,104	2,081,309	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	33-	-	-	-	-	16
MISCELLANEOUS INCOME	3,530,224	7,810	-	-	-	17
TOTAL OTHER INCOME	4,259,926	2,145,679	-	-	-	18
TOTAL INCOME	77,440,353	61,635,275	-	-	-	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	6,808	-	-	-	-	20
INCOME TAXES-NONOPERATING	61,421-	196,881-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	112,565	399,909	-	-	-	22
TOTAL INCOME DEDUCTIONS	57,952	203,028	-	-	-	23
INCOME BEFORE INTEREST CHARGES	77,382,401	61,432,247	-	-	-	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	-	-	-	-	-	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	-	-	-	-	-	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	19,634,107	17,126,123	-	-	-	29
TOTAL INTEREST CHARGES	19,634,107	17,126,123	-	-	-	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	57,748,294	44,306,124	-	-	-	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	7,940-	19,635-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	3,652-	9,032-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	4,288-	10,603-	-	-	-	35
NET INCOME	$ 57,744,006	$ 44,295,521	-	-	-	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 314,927,661	$ 293,385,352	-	-	-	37
BALANCE TRANSFERRED FROM INCOME	57,744,006	44,295,521	-	-	-	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	11,611,212	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	35,320,000	11,142,000	-	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	337,351,667	314,927,661	-	-	-	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 337,351,667	$ 314,927,661	-	-	-	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	83.4	85.4	-	-	-	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	3.4	2.3	-	-	-	49
TOTAL INCOME TAXES-OPERATING	3.5	2.2	-	-	-	50
OTHER TAXES-OPERATING	5.7	6.5	-	-	-	51
TOTAL OPERATING EXPENSES	96.1	96.6	-	-	-	52
OPERATING INCOME	3.8	3.3	-	-	-	53
DEPR. AND AMORT % OF TELEPHONE PLANT	6.8	4.6	-	-	-	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	1.0	1.0	-	-	-	55
PRETAX INTEREST COVERAGE	7.1	5.9	-	-	-	56
NET INCOME-PERCENT OF OPERATING REVENUES	3.0	2.5	-	-	-	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	58
TIMES EARNED	-	-	-	-	-	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	1.8	0.6	-	-	-	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	61.1	25.1	-	-	-	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	15.7	13.7	-	-	-	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	9.6	3.4	-	-	-	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

AT&T COMMUNICATIONS OF NEW YORK, INC.

LINE NO	ITEM		1985		1984	1983	1982	1981
	FUNDS PROVIDED							
	INTERNAL SOURCES:							
1	INCOME BEFORE EXTRAORDINARY ITEMS	$	57,748,294	$	44,306,124	-	-	-
	NON-CASH CHARGES(CREDITS) TO INCOME							
2	DEPRECIATION AND AMORTIZATION		64,214,052		41,705,350	-	-	-
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		17,853,529		14,861,834	-	-	-
4	INTEREST CAPITALIZED		777,104-		2,081,309-	-	-	-
5	OTHER (NET)		-		-	-	-	-
6								
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS		139,038,771		98,791,999	-	-	-
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES		4,288-		10,603-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES		139,034,483		98,781,396	-	-	-
10	LESS DIVIDENDS PREFERRED		-		-	-	-	-
11	COMMON		35,320,000		11,142,000	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES		103,714,483		87,639,396	-	-	-
	EXTERNAL SOURCES							
13	LONG TERM DEBT		48,663,705		-	-	-	-
14	PREFERRED STOCK		-		-	-	-	-
15	COMMON STOCK		-		-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT		-		-	-	-	-
17	OTHER (NET)		-		40,000,000	-	-	-
18								
19	TOTAL FUNDS FROM EXTERNAL SOURCES		48,663,705		40,000,000	-	-	-
20	OTHER SOURCES (NET)		-		1,677,356	-	-	-
21								
22								
23	TOTAL FUNDS PROVIDED	$	152,378,188	$	129,318,752	-	-	-
	FUNDS APPLIED							
	CONSTRUCTION EXPENDITURES							
	GROSS ADDITIONS							
24	TELEPHONE PLANT	$	79,566,349	$	69,979,289	-	-	-
25	NON-UTILITY PLANT		-		-	-	-	-
26	OTHER		-		-	-	-	-
27	TOTAL GROSS ADDITIONS		79,566,349		69,979,289	-	-	-
28	LESS INTEREST CAPITALIZED		777,104		2,081,309	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		78,789,245		67,897,980	-	-	-
	RETIREMENT OF DEBT AND SECURITIES							
30	LONG TERM DEBT		-		56,958,801	-	-	-
31	PREFERRED STOCK		-		-	-	-	-
32	REDEMPTION OF CAPITAL STOCK		-		-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT		-		1,000	-	-	-
34	OTHER (NET)		-		-	-	-	-
35								
36	TOTAL RETIREMENT OF DEBT AND SECURITIES		-		56,959,801	-	-	-
37	OTHER USES (NET)		73,588,943		4,458,971	-	-	-
38								
39								
40	TOTAL FUNDS APPLIED	$	152,378,188	$	129,318,752	-	-	-

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT

YEARS ENDING DECEMBER 31

AT&T COMMUNICATIONS OF NEW YORK, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	-	-	-	-	-	1
ACCESS REVENUES	-					2
TOLL REVENUES	1,799,445,157	1,731,414,347	-	-		3
MISCELLANEOUS REVENUES	86,477,139	62,964,451	-	-		4
UNCOLLECTIBLE REVENUES-DR	8,457,336	38,349,031	-	-		5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,877,464,960	$ 1,756,029,767	-	-		6
TELEPHONE ACCESS LINES IN SERVICE**	-	-	-	-	-	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	-	-	-			8
ACCESS REVENUE	-	-	-			9
TOLL REVENUE	-	-	-			10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 82,816,380	$ 89,601,515	-	-	-	11
DEPRECIATION + AMORTIZATION EXPENSES	64,214,052	41,705,350	-	-	-	12
TRAFFIC EXPENSES	77,181,707	70,073,918	-	-	-	13
COMMERCIAL EXPENSES	248,441,839	233,515,433	-	-	-	14
ACCESS EXPENSES	971,246,888	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	68,108,680	57,688,105	-	-	-	16
OTHER OPERATING EXPENSES	121,444,781	1,049,413,449	-	-		17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,631,454,307	$ 1,541,997,770	-	-	-	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 897,869,027	$ 864,589,976	-		-	19
PLANT UNDER CONSTRUCTION	40,345,572	33,175,279	-			20
PROPERTY HELD FOR FUTURE USE	-	-	-			21
PLANT ACQUISITION ADJUSTMENTS	-	-	-		-	22
PLANT ADJUSTMENTS	-	-	-		-	23
TOTAL TELEPHONE UTILITY PLANT	938,214,599	897,765,255	-		-	24
ACCUMULATED PROVISION FOR DEPR+AMORT	230,616,784	203,315,934	-		-	25
NET TELEPHONE PLANT	$ 707,597,815	$ 694,449,321			-	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 864,589,976	$ 841,663,351	-			27
ADDITIONS	72,396,058	58,784,790	-			28
RETIREMENTS	39,117,005	35,858,165	-			29
TRANSFERS AND ADJUSTMENTS	-	-	-			30
PLANT IN SERVICE END OF YEAR	$ 897,869,027	$ 864,589,976		-	-	31

**AT&T COMMUNICATIONS OF NEW YORK, INC DOES NOT HAVE ACCESS LINES

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

AT&T COMMUNICATIONS OF NEW YORK, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,877,464,960	$ 1,756,029,767	-	-	-
2	ACCESS LINES (AVERAGE*)**	-	-	-	-	-
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 193,369,019	$ 182,246,968	-	-	-
4	OTHER OPERATION AND MAINTENANCE EXPENSES	1,373,871,236	1,318,045,452	-	-	-
5	DEPRECIATION AND AMORTIZATION EXPENSES	64,214,052	41,705,350	-	-	-
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	65,626,753	39,323,345	-	-	-
8	OTHER TAXES - OPERATING	107,203,473	115,219,056	-	-	-
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	19,634,107	17,126,123	-	-	-
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	53,546,320	42,363,473	-	-	-
12	TOTAL	$ 1,877,464,960	$ 1,756,029,767	-	-	-
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	10.3	10.4	-	-	-
14	OTHER OPERATION AND MAINTENANCE EXPENSES	73.2	75.1	-	-	-
15	DEPRECIATION AND AMORTIZATION EXPENSES	3.4	2.4	-	-	-
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	3.5	2.2	-	-	-
18	OTHER TAXES - OPERATING	5.7	6.6	-	-	-
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1.0	1.0	-	-	-
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	2.9	2.4	-	-	-
22	TOTAL	100.0	100.0	-	-	-
			DOLLARS PER AVERAGE ACCESS LINE PER MONTH			
23	WAGES AND BENEFITS	-	-	-	-	-
24	OTHER OPERATION AND MAINTENANCE EXPENSES	-	-	-	-	-
25	DEPRECIATION AND AMORTIZATION EXPENSES	-	-	-	-	-
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	-	-	-	-	-
28	OTHER TAXES - OPERATING	-	-	-	-	-
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	-	-	-	-	-
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	-	-	-	-	-
32	TOTAL	-	-	-	-	-

* YEAR END AVERAGE

**AT&T COMMUNICATIONS OF NEW YORK, INC DOES NOT HAVE ACCESS LINES

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

AUSABLE VALLEY TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 8,658,334	$ 7,898,124	$ 7,049,840	$ 6,945,613	$ 6,756,651
2	ACCUMULATED PROVISION FOR DEPR+AMORT	2,869,601	2,778,044	2,397,347	2,043,724	1,716,752
3	NET TELEPHONE PLANT	5,788,733	5,120,080	4,652,493	4,901,889	5,039,899
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	9,716	11,686	6,231	712	712
7	OTHER INVESTMENTS AND FUNDS	208,750	208,750	208,750	208,750	212,981
8	TOTAL INVESTMENTS AND FUNDS	218,466	220,436	214,981	209,462	213,693
9	CASH AND WORKING FUNDS	59,655	21,229	104,850	19,960	7,395
10	SPECIAL CASH DEPOSITS	3,801	3,801	3,801	3,801	3,801
11	TEMPORARY CASH INVESTMENTS	43,221	46,558	259,167	71,292	9,350
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	252,146	352,954	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	120,221	118,057	129,193	98,339	202,777
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	241,518	203,676	192,749	193,059	177,544
15	MATERIALS AND SUPPLIES*	97,391	75,065	66,826	64,712	69,460
16	PREPAYMENTS	46,768	45,774	89,985	40,617	38,077
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	9,285	6,853	6,730
18	TOTAL CURRENT AND ACCRUED ASSETS	864,721	867,114	855,856	498,033	515,134
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	42,876	43,875	-	29,320	30,320
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	11,031	3,773	4,834	31,146	3,362
23	TOTAL DEFERRED DEBITS	53,907	47,648	4,834	60,466	33,682
24	TOTAL ASSETS AND OTHER DEBITS	6,925,827	$ 6,255,278	$ 5,728,164	$ 5,670,450	$ 5,802,408
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 188,400	$ 188,400	$ 188,400	$ 188,400	$ 188,400
26	PREFERRED CAPITAL STOCK	275,400	275,400	275,400	275,400	275,400
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	793,268	651,902	620,038	512,103	369,548
34	TOTAL PROPRIETARY CAPITAL	1,257,068	1,115,702	1,083,838	975,903	833,348
35	BONDS(LESS BONDS REACQUIRED)	4,118,323	4,170,791	4,219,721	4,263,163	4,301,780
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	4,118,323	4,170,791	4,219,721	4,263,163	4,301,780
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	202,413	74,488	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	142,068	284,738	44,520	55,928	400,563
41	CUSTOMERS'DEPOSITS	1,450	7,800	8,241	21,376	21,421
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	46,579	19,631-	8,659	7,444	4,907
44	OTHER CURRENT AND ACCRUED LIABILITIES	450,549	85,120	41,007	54,570	36,402
45	TOTAL CURRENT AND ACCRUED LIABILITIES	843,059	432,515	102,427	139,318	463,293
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	260,642	195,942	118,542	65,424	65,245
48	OTHER DEFERRED CREDITS	184,521	121,214	552	-	100
49	TOTAL DEFERRED CREDITS	445,163	317,156	119,094	65,424	65,345
50	OPERATING RESERVES	72,800	85,000	55,070	69,712	13,324
51	ACCUMULATED DEFERRED INCOME TAXES	189,414	134,114	148,014	156,930	125,318
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 6,925,827	$ 6,255,278	$ 5,728,164	$ 5,670,450	$ 5,802,408
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.87	3.03	2.94	3.07	3.69
54	CURRENT ASSETS/CURRENT LIABILITIES	1.03	2.00	8.36	3.58	1.11
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	76.6	78.8	79.5	81.3	83.7
56	PREFERRED STOCK	5.1	5.2	5.1	5.2	5.3
57	COMMON STOCK+OTHER PAID-IN CAPITAL	3.5	3.5	3.5	3.5	3.6
58	RETAINED EARNINGS	14.7	12.3	11.6	9.7	7.1
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	47.5	52.8	59.8	61.3	63.6
60	PERCENT OF NET TELEPHONE PLANT	71.1	81.4	90.6	86.9	85.3
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	33.1	35.1	34.0	29.4	25.4

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS
AUSABLE VALLEY TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES $	2,880,952 $	2,464,949 $	2,384,096 $	2,232,177 $	1,817,033	1
OPERATION AND MAINTENANCE EXPENSE	1,405,901	1,203,302	1,197,359	1,054,391	946,132	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	437,491	431,174	427,778	392,425	258,986	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	273,179	299,425	288,165	243,987	206,202	6
INCOME TAXES-OPERATING	108,756	48,700	55,012	29,537	5,056-	7
OPERATING INCOME TAXES DEFERRED	55,300	6,000-	14,717	10,290	19,678	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	7,900-	23,633-	8,036-	7,894-	9
TOTAL OPERATING EXPENSES	2,280,627	1,968,701	1,959,398	1,722,594	1,418,048	10
TOTAL TELEPHONE OPERATING INCOME	600,325	496,248	424,698	509,583	398,985	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	4,231	12
INTEREST INCOME	30,514	51,246	14,003	4,605	2,100	13
ALLOWANCE FOR CONSTRUCTION FUNDS	13,704	9,948	4,866	6,205	23,690	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	10,253	8,093	760	-	-	17
TOTAL OTHER INCOME	54,471	69,287	19,629	10,810	30,021	18
TOTAL INCOME	654,796	565,535	444,327	520,393	429,006	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	32	33	31	-	29	20
INCOME TAXES-NONOPERATING	11,048	18,976	-	27	-	21
MISCELLANEOUS INCOME CHARGES	30,422	-	-	-	-	22
TOTAL INCOME DEDUCTIONS	41,502	19,009	31	27	29	23
INCOME BEFORE INTEREST CHARGES	613,294	546,526	444,296	520,386	428,977	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	290,426	294,119	297,266	300,017	302,285	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	1,000	1,000	1,000	1,000	1,000	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	553	706	1,204	29,173	46,682	29
TOTAL INTEREST CHARGES	291,979	295,825	299,470	330,189	349,967	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	321,315	250,701	144,826	190,177	79,010	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	713	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	18,767-	-	10,731-	5,763-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	18,054-	-	10,731-	5,763-	35
NET INCOME $	321,315 $	232,647 $	144,826 $	179,446 $	73,247	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	651,902 $	620,038 $	512,103 $	369,548 $	311,447	37
BALANCE TRANSFERRED FROM INCOME	321,315	232,647	144,826	179,446	73,247	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	81,575	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	15,147	15,147	15,147	15,147	15,147	42
-COMMON STOCK	164,802	104,061	21,744	21,744	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	793,268	651,902	620,038	512,103	369,547	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR $	793,268 $	651,902 $	620,038 $	512,103 $	369,548	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	48.7	48.8	50.2	47.2	52.0	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	15.1	17.4	17.9	17.5	14.2	49
TOTAL INCOME TAXES-OPERATING	5.7	1.4	1.9	1.4	0.4	50
OTHER TAXES-OPERATING	9.4	12.1	12.0	10.9	11.3	51
TOTAL OPERATING EXPENSES	79.1	79.8	82.1	77.1	78.0	52
OPERATING INCOME	20.8	20.1	17.8	22.8	21.9	53
DEPR. AND AMORT.% OF TELEPHONE PLANT	5.0	5.4	6.0	5.6	3.8	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	10.1	12.0	12.6	14.8	19.3	55
PRETAX INTEREST COVERAGE	2.7	2.0	1.6	1.7	1.2	56
NET INCOME-PERCENT OF OPERATING REVENUES	11.1	9.4	6.0	8.0	4.0	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.5	0.6	0.6	0.6	0.8	58
TIMES EARNED	21.2	15.4	9.6	11.8	4.8	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	5.7	4.2	0.9	0.9	-	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	53.8	47.8	16.7	13.2	-	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	33.6	26.3	17.1	26.1	10.9	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	18.0	12.6	2.8	3.4	-	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

AUSABLE VALLEY TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 321,315	$ 250,701	$ 144,828	$ 190,177	$ 73,248
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	440,552	434,056	429,330	393,425	259,986
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	120,000	63,500	44,202	31,791	6,696
4	INTEREST CAPITALIZED	13,704-	9,948-	4,866-	6,205-	23,690-
5	OTHER (NET):	-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	868,163	738,309	613,492	609,188	316,240
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	18,054	-	6,500-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	868,163	756,363	613,492	602,688	316,240
10	LESS DIVIDENDS: PREFERRED	15,147	15,147	15,147	15,147	15,147
11	COMMON	164,802	104,061	21,744	21,744	-
12	NET FUNDS FROM INTERNAL SOURCES	688,214	637,155	576,601	565,797	301,093
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	240,218	-	-	167,500
17	OTHER (NET):	-	140,345	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	380,563	-	-	167,500
20	OTHER SOURCES (NET):	591,991	19,038	29,801	90,285	59,422
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,280,205	$ 1,036,756	$ 606,402	$ 656,082	$ 528,015
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 1,127,863	$ 848,284	$ 184,048	$ 288,311	$ 290,625
25	NON-UTILITY PLANT	-	-	5,519	-	-
26	OTHER	5,894	6,872	-	-	-
27	TOTAL GROSS ADDITIONS	1,133,757	855,156	189,567	288,311	290,625
28	LESS INTEREST CAPITALIZED	13,704	9,948	4,866	6,205	23,690
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,120,053	845,208	184,701	282,106	266,935
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	52,468	48,930	43,443	38,617	7,439
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	14,745	-	-	267,500	-
34	OTHER (NET)	104,145	-	-	4,231	
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	171,358	48,930	43,443	310,348	7,439
37	OTHER USES (NET):	11,206-	142,618	378,258	63,628	253,641
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,280,205	$ 1,036,756	$ 606,402	$ 656,082	$ 528,015

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

AUSABLE VALLEY TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 547,578	$ 488,768	$ 480,145	$ 463,654	$ 468,816	1
ACCESS REVENUES	-					2
TOLL REVENUES	2,315,204	1,966,301	1,890,875	1,758,781	1,303,725	3
MISCELLANEOUS REVENUES	38,170	28,880	32,113	37,333	81,946	4
UNCOLLECTIBLE REVENUES-DR	20,000	19,000	19,038	27,590	37,455	5
TOTAL TELEPHONE OPERATING REVENUE	$ 2,880,952	$ 2,464,949	$ 2,384,095	$ 2,232,178	$ 1,817,032	6
TELEPHONE ACCESS LINES IN SERVICE	4,867	4,713	4,553	4,494	4,377	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 114.32	$ 105.50	$ 106.14	$ 104.53	$ 106.97	8
ACCESS REVENUE	-					9
TOLL REVENUE	483.34	424.41	418.01	396.52	297.48	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 420,388	$ 389,393	$ 421,305	$ 340,995	$ 316,603	11
DEPRECIATION + AMORTIZATION EXPENSES	437,491	431,174	427,778	392,425	258,986	12
TRAFFIC EXPENSES	226,603	176,888	168,558	153,276	129,112	13
COMMERCIAL EXPENSES	78,876	65,013	63,681	68,940	65,824	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	374,081	304,554	273,316	264,470	261,031	16
OTHER OPERATING EXPENSES	305,953	267,454	269,898	226,710	173,562	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,843,392	$ 1,634,476	$ 1,625,136	$ 1,446,816	$ 1,205,118	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 8,622,157	$ 7,831,640	$ 6,910,372	$ 6,837,451	$ 6,637,819	19
PLANT UNDER CONSTRUCTION	32,887	63,194	136,177	109,085	119,756	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	4,214-	4,214-	22
PLANT ADJUSTMENTS	3,290	3,290	3,291	3,291	3,290	23
TOTAL TELEPHONE UTILITY PLANT	8,658,334	7,898,124	7,049,840	6,945,613	6,756,651	24
ACCUMULATED PROVISION FOR DEPR+AMORT	2,869,601	2,778,044	2,397,347	2,043,724	1,716,752	25
NET TELEPHONE PLANT	$ 5,788,733	$ 5,120,080	$ 4,652,493	$ 4,901,889	$ 5,039,899	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 7,831,640	$ 6,910,372	$ 6,837,451	$ 6,637,820	$ 6,212,925	27
ADDITIONS	1,127,864	1,081,224	156,957	307,737	629,208	28
RETIREMENTS	337,279	65,743	84,035	108,106	208,498	29
TRANSFERS AND ADJUSTMENTS	68-	94,213-	-	-	4,185	30
PLANT IN SERVICE END OF YEAR	$ 8,622,157	$ 7,831,640	$ 6,910,373	$ 6,837,451	$ 6,637,820	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

AUSABLE VALLEY TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 2,880,952	$ 2,464,949	$ 2,384,096	$ 2,232,177	$ 1,817,033
2	ACCESS LINES (AVERAGE*)	4,790	4,633	4,524	4,436	4,383
	DOLLAR AMOUNTS					
3	WAGES AND BENEFITS	$ 603,755	$ 619,995	$ 699,849	$ 602,263	$ 516,657
4	OTHER OPERATION AND MAINTENANCE EXPENSES	802,146	583,307	497,509	452,128	429,475
5	DEPRECIATION AND AMORTIZATION EXPENSES	437,491	431,174	427,778	392,425	258,986
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	164,056	34,800	46,096	31,791	6,728
8	OTHER TAXES - OPERATING	273,179	299,425	288,165	243,987	208,202
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	288,704	293,437	299,470	326,305	349,967
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	14,657	14,656	15,147	14,948	15,147
11	EARNINGS AVAILABLE FOR COMMON EQUITY	296,964	188,155	110,081	168,330	33,871
12	TOTAL	$ 2,880,952	$ 2,464,949	$ 2,384,096	$ 2,232,177	$ 1,817,033
	PERCENT OF REVENUES					
13	WAGES AND BENEFITS	21.0	25.2	29.4	27.0	28.4
14	OTHER OPERATION AND MAINTENANCE EXPENSES	27.8	23.7	20.9	20.3	23.6
15	DEPRECIATION AND AMORTIZATION EXPENSES	15.2	17.5	17.9	17.6	14.3
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	5.7	1.4	1.9	1.4	0.4
18	OTHER TAXES - OPERATING	9.5	12.1	12.1	10.9	11.3
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	10.0	11.9	12.6	14.6	19.3
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.5	0.6	0.6	0.7	0.8
21	EARNINGS AVAILABLE FOR COMMON EQUITY	10.3	7.6	4.6	7.5	1.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER AVERAGE ACCESS LINE PER MONTH					
23	WAGES AND BENEFITS	$ 10.50	$ 11.15	$ 12.89	$ 11.32	$ 9.82
24	OTHER OPERATION AND MAINTENANCE EXPENSES	13.96	10.49	9.17	8.49	8.17
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.61	7.76	7.88	7.37	4.92
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.85	0.63	0.85	0.60	0.13
28	OTHER TAXES - OPERATING	4.75	5.39	5.31	4.58	3.92
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.02	5.28	5.52	6.13	6.65
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.25	0.26	0.28	0.28	0.29
31	EARNINGS AVAILABLE FOR COMMON EQUITY	5.17	3.38	2.03	3.16	0.64
32	TOTAL	$ 50.12	$ 44.34	$ 43.92	$ 41.94	$ 34.55

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

BERKSHIRE TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 5,134,277	$ 5,377,344	$ 5,287,492	$ 5,211,115	$ 5,102,159
2	ACCUMULATED PROVISION FOR DEPR+AMORT	161,135	1,645,451	1,425,498	1,178,653	1,031,860
3	NET TELEPHONE PLANT	4,973,142	3,731,893	3,861,994	4,032,462	4,070,299
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	74,610	71,618	67,889	15,698	15,698
7	OTHER INVESTMENTS AND FUNDS	170,804	170,804	170,804	170,804	158,250
8	TOTAL INVESTMENTS AND FUNDS	245,414	242,422	238,693	186,502	173,948
9	CASH AND WORKING FUNDS	135,368	47,628	73,083	163,284	91,710
10	SPECIAL CASH DEPOSITS	538,187	495,664	411,982	94,903	42,152
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	124,410	128,473	4,565	1,074	7,010
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	249,661	225,796	228,293	199,558	193,583
15	MATERIALS AND SUPPLIES*	84,559	81,814	55,631	37,119	33,519
16	PREPAYMENTS	67,659	69,829	63,463	65,679	50,734
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	7,611	3,962
18	TOTAL CURRENT AND ACCRUED ASSETS	1,199,844	1,049,204	837,017	569,228	422,670
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	17,981	12,614	13,073	13,532	13,990
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	1,862	4,433	2,796	1,332	9,336
23	TOTAL DEFERRED DEBITS	19,843	17,047	15,869	14,864	23,326
24	TOTAL ASSETS AND OTHER DEBITS	6,438,243	$ 5,040,566	$ 4,953,573	$ 4,803,056	$ 4,690,243
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 81,160	$ 81,160	$ 81,160	$ 81,160	$ 81,160
26	PREFERRED CAPITAL STOCK	122,600	130,800	130,800	130,800	130,800
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	1,262,198	1,037,162	964,811	853,936	740,633
34	TOTAL PROPRIETARY CAPITAL	1,465,958	1,249,122	1,176,771	1,065,896	952,593
35	BONDS(LESS BONDS REACQUIRED)	2,973,010	3,015,735	3,055,434	3,092,554	3,098,947
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	2,973,010	3,015,735	3,055,434	3,092,554	3,098,947
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	1,408,530	299,395	252,686	239,313	276,838
41	CUSTOMERS'DEPOSITS	3,950	7,963	7,036	5,836	5,820
42	ADVANCE BILLING AND PAYMENTS	11,830	10,061	9,984	10,536	8,100
43	TAXES ACCRUED	4,669	3,610	19,721	8,249	2,953
44	OTHER CURRENT AND ACCRUED LIABILITIES	38,629	34,753	37,420	36,296	35,599
45	TOTAL CURRENT AND ACCRUED LIABILITIES	1,467,608	355,782	326,847	300,230	329,310
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM DEFERRED INVESTMENT TAX CREDITS	130,656	93,864	100,497	90,158	76,122
48	OTHER DEFERRED CREDITS	41,964	25,782	11,222	1,568	1,176
49	TOTAL DEFERRED CREDITS	172,620	119,646	111,719	91,726	77,298
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	359,047	300,281	282,802	252,650	232,095
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 6,438,243	$ 5,040,566	$ 4,953,573	$ 4,803,056	$ 4,690,243
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.81	3.18	3.29	3.34	3.35
54	CURRENT ASSETS/CURRENT LIABILITIES	0.82	2.95	2.56	1.90	1.28
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	66.9	70.7	72.1	74.3	76.4
56	PREFERRED STOCK	2.7	3.0	3.0	3.1	3.2
57	COMMON STOCK+OTHER PAID-IN CAPITAL	1.8	1.9	1.9	1.9	2.0
58	RETAINED EARNINGS	28.4	24.3	22.7	20.5	18.2
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	57.9	56.0	57.7	59.3	60.7
60	PERCENT OF NET TELEPHONE PLANT	59.7	80.8	79.1	76.6	76.1
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	3.1	30.5	26.9	22.6	20.2

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

BERKSHIRE TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,869,851	$ 1,674,565	$ 1,594,701	$ 1,543,951	$ 1,266,631	1
OPERATION AND MAINTENANCE EXPENSE	839,476	888,666	723,126	712,950	648,903	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	285,634	279,956	277,272	284,270	209,574	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	228,583	230,518	222,336	164,125	134,307	6
INCOME TAXES-OPERATING	39,828	6,633-	9,482	18,884	5,788-	7
OPERATING INCOME TAXES DEFERRED	83,630	21,707	35,161	29,395	23,918	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	24,864-	4,228-	5,009-	8,840-	1,601	9
TOTAL OPERATING EXPENSES	1,452,287	1,409,986	1,262,368	1,200,784	1,012,515	10
TOTAL TELEPHONE OPERATING INCOME	417,564	264,579	332,333	343,167	254,116	11
OTHER INCOME						
DIVIDEND INCOME	476	446	415	-	-	12
INTEREST INCOME	51,710	50,559	24,723	3,550	3,103	13
ALLOWANCE FOR CONSTRUCTION FUNDS	7,076	1,560	2,945	4,266	3,364	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	2,694-	8,307-	7,467-	196	321	16
MISCELLANEOUS INCOME	1,050-	698-	6,240-	1,515	507	17
TOTAL OTHER INCOME	55,515	43,560	14,376	9,527	7,395	18
TOTAL INCOME	473,082	308,139	346,709	352,694	261,511	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	1,220	1,131	1,352	1,178	1,293	22
TOTAL INCOME DEDUCTIONS	1,220	1,131	1,352	1,178	1,293	23
INCOME BEFORE INTEREST CHARGES	471,862	307,008	345,357	351,516	260,218	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	207,247	210,119	212,761	213,736	211,993	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	459	458	458	458	458	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	17,999	872	950	811	661	29
TOTAL INTEREST CHARGES	225,705	211,449	214,169	215,005	213,112	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	246,157	95,559	131,188	136,511	47,106	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	3,408	-	2,895	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	1,567	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	1,841	-	2,895	-	-	35
NET INCOME	$ 247,998	$ 95,559	$ 134,083	$ 136,511	$ 47,106	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 1,037,162	$ 964,811	$ 853,936	$ 740,633	$ 716,735	37
BALANCE TRANSFERRED FROM INCOME	247,998	95,559	134,083	136,511	47,106	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	7,602	7,848	7,848	7,848	7,848	42
-COMMON STOCK	15,360	15,360	15,360	15,360	15,360	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,262,198	1,037,162	964,811	853,936	740,633	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 1,262,198	$ 1,037,162	$ 964,811	$ 853,936	$ 740,633	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	44.8	53.0	45.3	46.1	51.2	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	15.2	16.7	17.3	18.4	16.5	49
TOTAL INCOME TAXES-OPERATING	5.3	0.6	2.5	2.6	1.6	50
OTHER TAXES-OPERATING	12.2	13.7	13.9	10.6	10.6	51
TOTAL OPERATING EXPENSES	77.6	84.2	79.1	77.7	79.9	52
OPERATING INCOME	22.3	15.7	20.8	22.2	20.0	53
DEPR. AND AMORT. % OF TELEPHONE PLANT	5.5	5.2	5.2	5.4	4.1	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	12.1	12.6	13.4	13.9	16.8	55
PRETAX INTEREST COVERAGE	2.5	1.5	1.8	1.8	1.3	56
NET INCOME-PERCENT OF OPERATING REVENUES	13.2	5.7	8.4	8.8	3.7	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.4	0.4	0.4	0.5	0.6	58
TIMES EARNED	32.6	12.2	17.1	17.4	6.0	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	0.8	0.9	0.9	0.9	1.2	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	6.3	17.5	12.1	11.9	39.1	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	19.5	8.1	12.7	14.6	4.8	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	1.2	1.4	1.5	1.7	1.8	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

BERKSHIRE TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 246,157	$ 95,559	$ 131,188	$ 136,511	$ 47,106
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	317,604	292,820	291,246	294,388	218,784
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	95,558	10,846	40,491	34,591	19,731
4	INTEREST CAPITALIZED	7,076-	1,560-	2,945-	4,266-	3,364-
5	OTHER (NET)	-	14,560	9,654	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	652,243	412,225	469,634	461,224	282,257
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	1,841	-	2,895	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	654,084	412,225	472,529	461,224	282,257
10	LESS DIVIDENDS PREFERRED	7,602	7,848	7,848	7,848	7,848
11	COMMON	15,360	15,360	15,360	15,360	15,360
12	NET FUNDS FROM INTERNAL SOURCES	631,122	389,017	449,321	438,016	259,049
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	25,000	182,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	909,753	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	909,753	-	-	25,000	182,000
20	OTHER SOURCES (NET)	55,911	4,523	11,194	356	14,404
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,596,786	$ 393,540	$ 460,515	$ 463,372	$ 455,453
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 1,531,987	$ 161,889	$ 121,389	$ 247,934	$ 249,574
25	NON-UTILITY PLANT	2,602	3,729	52,191	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	1,534,589	165,618	173,580	247,934	249,574
28	LESS INTEREST CAPITALIZED	7,076	1,560	2,945	4,266	3,364
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,527,513	164,058	170,635	243,668	246,210
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	39,699	37,120	31,393	27,854
31	PREFERRED STOCK	8,200	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	42,724	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	50,924	39,699	37,120	31,393	27,854
37	OTHER USES (NET)	18,349	189,783	252,760	188,311	181,389
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,596,786	$ 393,540	$ 460,515	$ 463,372	$ 455,453

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT.

YEARS ENDING DECEMBER 31

BERKSHIRE TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO.
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 393,014	$ 398,670	$ 391,744	$ 376,541	$ 360,429	1
ACCESS REVENUES	568,929					2
TOLL REVENUES	741,445	1,237,233	1,176,509	1,140,065	892,207	3
MISCELLANEOUS REVENUES	176,463	46,162	37,448	39,345	25,995	4
UNCOLLECTIBLE REVENUES-DR	10,000	5,500	11,000	12,000	12,000	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,869,851	$ 1,674,565	$ 1,594,701	$ 1,543,951	$ 1,266,631	6
TELEPHONE ACCESS LINES IN SERVICE	4,250	4,105	4,004	3,653	3,490	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 94.08	$ 97.83	$ 102.32	$ 105.30	$ 103.78	8
ACCESS REVENUE	138.19					9
TOLL REVENUE	177.49	305.15	307.30	318.81	256.50	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 283,129	$ 345,320	$ 241,508	$ 265,335	$ 240,638	11
DEPRECIATION + AMORTIZATION EXPENSES	285,634	279,956	277,272	284,270	209,574	12
TRAFFIC EXPENSES	77,238	94,135	28,435	44,879	30,881	13
COMMERCIAL EXPENSES	73,039	72,372	73,262	75,233	43,446	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	253,624	227,824	202,302	181,548	188,384	16
OTHER OPERATING EXPENSES	152,446	149,015	177,319	145,955	145,554	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,125,110	$ 1,168,622	$ 1,000,398	$ 997,220	$ 858,477	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 5,111,993	$ 5,366,354	$ 5,253,373	$ 5,097,362	$ 5,049,083	19
PLANT UNDER CONSTRUCTION	22,284	10,990	34,119	113,753	53,076	20
PROPERTY HELD FOR FUTURE USE		-	-			21
PLANT ACQUISITION ADJUSTMENTS	-	-				22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	5,134,277	5,377,344	5,287,492	5,211,115	5,102,159	24
ACCUMULATED PROVISION FOR DEPR+AMORT	161,135	1,645,451	1,425,498	1,178,653	1,031,860	25
NET TELEPHONE PLANT	$ 4,973,142	$ 3,731,893	$ 3,861,994	$ 4,032,462	$ 4,070,299	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 5,366,354	$ 5,253,373	$ 5,097,362	$ 5,049,083	$ 4,811,825	27
ADDITIONS	1,520,693	185,017	197,648	187,257	290,847	28
RETIREMENTS	1,775,054	72,036	41,637	138,978	53,589	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 5,111,993	$ 5,366,354	$ 5,253,373	$ 5,097,362	$ 5,049,083	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

BERKSHIRE TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,869,851	$ 1,674,565	$ 1,594,701	$ 1,543,951	$ 1,266,631
2	ACCESS LINES (AVERAGE*)	4,178	4,055	3,829	3,576	3,477
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 444,817	$ 414,004	$ 391,242	$ 361,904	$ 342,240
4	OTHER OPERATION AND MAINTENANCE EXPENSES	394,659	474,862	331,884	351,046	306,663
5	DEPRECIATION AND AMORTIZATION EXPENSES	285,634	279,956	277,272	284,270	209,574
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	98,594	10,846	39,634	39,439	19,731
8	OTHER TAXES - OPERATING	228,583	230,518	222,336	164,125	134,307
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	222,033	210,205	212,275	212,339	210,293
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	7,468	7,800	7,777	7,750	7,744
11	EARNINGS AVAILABLE FOR COMMON EQUITY	188,063	46,574	112,281	123,078	36,079
12	TOTAL	$ 1,869,851	$ 1,674,565	$ 1,594,701	$ 1,543,951	$ 1,266,631
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	23.8	24.7	24.5	23.4	27.0
14	OTHER OPERATION AND MAINTENANCE EXPENSES	21.1	28.3	20.8	22.7	24.2
15	DEPRECIATION AND AMORTIZATION EXPENSES	15.3	16.7	17.4	18.4	16.5
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	5.3	0.6	2.5	2.6	1.6
18	OTHER TAXES - OPERATING	12.2	13.8	13.9	10.6	10.6
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	11.9	12.6	13.3	13.8	16.6
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.5	0.5	0.5	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	10.1	2.8	7.0	8.0	2.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 8.87	$ 8.51	$ 8.52	$ 8.43	$ 8.20
24	OTHER OPERATION AND MAINTENANCE EXPENSES	7.87	9.76	7.22	8.18	7.35
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.70	5.75	6.04	6.62	5.02
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	1.97	0.22	0.86	0.92	0.47
28	OTHER TAXES - OPERATING	4.56	4.74	4.84	3.82	3.22
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.43	4.32	4.62	4.95	5.04
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.15	0.16	0.17	0.18	0.19
31	EARNINGS AVAILABLE FOR COMMON EQUITY	3.75	0.96	2.44	2.87	0.86
32	TOTAL	$ 37.30	$ 34.42	$ 34.71	$ 35.98	$ 30.36

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARAT.VE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CASSADAGA TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 1,250,759	$ 1,201,820	$ 1,181,866	$ 1,137,172	$ 1,100,588
2	ACCUMULATED PROVISION FOR DEPR+AMORT	642,312	572,726	527,090	474,754	424,410
3	NET TELEPHONE PLANT	608,447	629,094	654,776	662,418	676,178
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	-	-	-	-	-
9	CASH AND WORKING FUNDS	23,972	50,255	49,988	40,840	34,181
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	355,234	278,231	188,232	130,834	52,657
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	228	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	28,014	21,368	3,687	4,954	1,133
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	45,836	42,666	41,704	35,070	36,403
15	MATERIALS AND SUPPLIES*	53,732	53,695	44,129	42,589	38,096
16	PREPAYMENTS	11,151	9,188	10,982	8,339	7,982
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	517,939	455,403	338,950	262,626	170,452
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	4,695	4,893	5,090	5,288	5,486
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	3,564	3,564	1,725	1,080	860
23	TOTAL DEFERRED DEBITS	8,259	8,457	6,815	6,368	6,346
24	TOTAL ASSETS AND OTHER DEBITS	1,134,645 $	1,092,954 $	1,000,541 $	931,412 $	852,976
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 27,800	$ 27,800	$ 27,800	$ 27,800	$ 27,800
26	PREFERRED CAPITAL STOCK	50,000	50,000	50,000	50,000	50,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	512,393	450,056	380,142	318,350	249,726
34	TOTAL PROPRIETARY CAPITAL	590,193	527,856	457,942	396,150	327,526
35	BONDS(LESS BONDS REACQUIRED)	405,850	416,273	424,738	432,806	440,483
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	405,850	416,273	424,738	432,806	440,483
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	7,801	15,810	14,318	9,631	16,484
40	OTHER NOTES AND ACCOUNTS PAYABLE	33,049	20,482	10,926	15,248	18,102
41	CUSTOMERS' DEPOSITS	2,230	9,170	8,885	7,560	6,695
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	24,197	25,328	12,626	1,131	212
44	OTHER CURRENT AND ACCRUED LIABILITIES	6,124	6,543	6,621	6,768	6,202
45	TOTAL CURRENT AND ACCRUED LIABILITIES	73,401	77,333	53,376	40,338	47,695
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	46,107	48,042	46,750	47,815	25,325
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	46,107	48,042	46,750	47,815	25,325
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	19,094	23,450	17,735	14,303	11,947
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,134,645	$ 1,092,954	$ 1,000,541	$ 931,412	$ 852,976
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.54	2.57	2.87	2.92	3.42
54	CURRENT ASSETS/CURRENT LIABILITIES	7.06	5.89	6.35	6.51	3.57
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	40.7	44.0	48.1	52.2	57.3
56	PREFERRED STOCK	5.0	5.2	5.6	6.0	6.5
57	COMMON STOCK+OTHER PAID-IN CAPITAL	2.7	2.9	3.1	3.3	3.6
58	RETAINED EARNINGS	51.4	47.6	43.0	38.4	32.5
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	32.4	34.6	35.9	38.0	40.0
60	PERCENT OF NET TELEPHONE PLANT	66.7	66.1	64.8	65.3	65.1
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	51.3	47.6	44.5	41.7	38.5

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CASSADAGA TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 482,487	$ 463,827	$ 404,392	$ 383,025	$ 317,332	1
OPERATION AND MAINTENANCE EXPENSE	248,989	222,026	196,461	176,029	166,091	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	71,651	70,808	70,917	53,777	53,110	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	50,098	41,295	40,086	37,236	33,575	6
INCOME TAXES-OPERATING	48,324	39,946	15,585	26,134	7,797	7
OPERATING INCOME TAXES DEFERRED	3,254-	6,134	4,918	4,741	2,363	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	1,102-	2,419-	1,486-	2,385-	1,506-	9
TOTAL OPERATING EXPENSES	414,707	379,790	326,481	295,532	261,430	10
TOTAL TELEPHONE OPERATING INCOME	67,780	84,037	77,911	87,493	55,902	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	28,646	19,999	12,398	8,204	2,667	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	3,798	3,654	3,407	3,290	2,001	17
TOTAL OTHER INCOME	32,444	23,653	15,805	11,494	4,658	18
TOTAL INCOME	100,224	107,690	93,716	98,987	60,560	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	950	125	65	124	212	22
TOTAL INCOME DEDUCTIONS	950	125	65	124	212	23
INCOME BEFORE INTEREST CHARGES	99,274	107,565	93,651	98,863	60,348	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	20,744	21,013	21,416	21,804	22,198	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	198	198	198	198	198	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	485	930	990	1,067	533	29
TOTAL INTEREST CHARGES	21,427	22,141	22,604	23,069	22,929	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	77,847	85,424	71,047	75,794	37,419	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 77,847	$ 85,424	$ 71,047	$ 75,794	$ 37,419	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 450,056	$ 380,142	$ 318,350	$ 249,726	$ 219,477	37
BALANCE TRANSFERRED FROM INCOME	77,847	85,424	71,047	75,794	37,419	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	3,000	3,000	3,000	3,000	3,000	42
-COMMON STOCK	12,510	12,510	6,255	4,170	4,170	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	512,393	450,056	380,142	318,350	249,726	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 512,393	$ 450,056	$ 380,142	$ 318,350	$ 249,726	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	51.6	47.8	48.5	45.9	52.3	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	14.8	15.2	17.5	14.0	16.7	49
TOTAL INCOME TAXES-OPERATING	9.1	9.8	4.7	7.4	2.7	50
OTHER TAXES-OPERATING	10.3	8.9	9.9	9.7	10.6	51
TOTAL OPERATING EXPENSES	85.9	81.8	80.7	77.1	82.3	52
OPERATING INCOME	14.0	18.1	19.2	22.8	17.6	53
DEPR. AND AMORT. % OF TELEPHONE PLANT	5.7	5.8	6.0	4.7	4.8	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	4.4	4.8	5.6	6.0	7.2	55
PRETAX INTEREST COVERAGE	6.5	6.8	4.8	5.4	2.9	56
NET INCOME-PERCENT OF OPERATING REVENUES	16.1	18.4	17.5	19.7	11.7	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.6	0.6	0.7	0.7	0.9	58
TIMES EARNED	25.9	28.5	23.7	25.3	12.5	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	2.5	2.6	1.5	1.0	1.3	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	16.7	15.1	9.1	5.7	12.1	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	14.7	18.6	18.0	23.3	13.1	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	2.4	2.8	1.6	1.3	1.5	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CASSADAGA TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 77,847	$ 85,424	$ 71,047	$ 75,794	$ 37,419
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	72,160	71,315	71,426	54,188	53,370
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	6,291-	7,007	2,387	24,846	6,589
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET):	-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	143,718	163,746	144,840	154,828	97,378
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	143,718	163,746	144,840	154,828	97,378
10	LESS DIVIDENDS: PREFERRED	3,000	3,000	3,000	3,000	3,000
11	COMMON	12,510	12,510	6,255	4,170	4,170
12	NET FUNDS FROM INTERNAL SOURCES	128,208	148,236	135,585	147,658	90,208
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET):	3,739	-	-	9,754	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	3,739	-	-	9,754	-
20	OTHER SOURCES (NET)	-	3,075	3,635	-	8,165
21						
22						
23	TOTAL FUNDS PROVIDED	$ 131,945	$ 151,311	$ 139,220	$ 157,412	$ 98,373
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 55,053	$ 48,511	$ 67,221	$ 49,984	$ 49,310
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	55,053	48,511	67,221	49,984	49,310
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	55,053	48,511	67,221	49,984	49,310
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	10,423	8,466	8,068	7,677	7,312
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	10,423	8,466	8,068	7,677	7,312
37	OTHER USES (NET)	66,469	94,335	63,931	99,751	41,751
38						
39						
40	TOTAL FUNDS APPLIED	$ 131,945	$ 151,311	$ 139,220	$ 157,412	$ 98,373

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

CASSADAGA TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 149,097	$ 148,710	$ 148,282	$ 138,377	$ 137,507	1
ACCESS REVENUES	110,609					2
TOLL REVENUES	186,544	267,143	231,431	187,429	164,678	3
MISCELLANEOUS REVENUES	61,329	50,709	27,608	58,400	20,241	4
UNCOLLECTIBLE REVENUES-DR	5,692	735	2,929	1,181	5,094	5
TOTAL TELEPHONE OPERATING REVENUE	$ 482,487	$ 463,827	$ 404,392	$ 383,025	$ 317,332	6
TELEPHONE ACCESS LINES IN SERVICE	1,587	1,080	1,045	1,024	1,001	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 111.81	$ 138.08	$ 143.34	$ 136.67	$ 109.26	8
ACCESS REVENUE	82.95					9
TOLL REVENUE	124.89	251.43	223.71	185.12	130.85	10

*YEAR END AVERAGE

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 109,699	$ 104,603	$ 102,422	$ 80,480	$ 75,954	11
DEPRECIATION + AMORTIZATION EXPENSES	71,651	70,808	70,917	53,777	53,110	12
TRAFFIC EXPENSES	5,913	8,384	4,347	4,246	4,282	13
COMMERCIAL EXPENSES	18,338	14,171	3,543	2,130	9,761	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	39,327	29,748	16,512	14,842	16,549	16
OTHER OPERATING EXPENSES	75,712	65,122	69,637	74,331	59,545	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 320,640	$ 292,834	$ 267,378	$ 229,806	$ 219,201	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 1,172,705	$ 1,160,740	$ 1,127,167	$ 1,119,672	$ 1,079,338	19
PLANT UNDER CONSTRUCTION	60,554	23,580	37,199	-	3,750	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	17,500	17,500	17,500	17,500	17,500	23
TOTAL TELEPHONE UTILITY PLANT	1,250,759	1,201,820	1,181,866	1,137,172	1,100,588	24
ACCUMULATED PROVISION FOR DEPR+AMORT	642,312	572,726	527,090	474,754	424,410	25
NET TELEPHONE PLANT	$ 608,447	$ 629,094	$ 654,776	$ 662,418	$ 676,178	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,160,740	$ 1,127,167	$ 1,119,672	$ 1,079,338	$ 1,055,270	27
ADDITIONS	18,079	62,130	30,022	53,734	45,560	28
RETIREMENTS	6,114	28,557	22,527	13,400	21,492	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 1,172,705	$ 1,160,740	$ 1,127,167	$ 1,119,672	$ 1,079,338	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

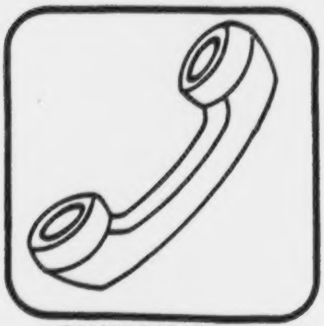
DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CASSADAGA TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 482,487	$ 463,827	$ 404,392	$ 383,025	$ 317,332
2	ACCESS LINES (AVERAGE*)	1,334	1,063	1,035	1,013	1,259
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	-	-	-	-	-
4	OTHER OPERATION AND MAINTENANCE EXPENSES	248,989	222,026	196,461	176,029	166,091
5	DEPRECIATION AND AMORTIZATION EXPENSES	71,651	70,808	70,917	53,777	53,110
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	43,968	45,661	19,017	28,490	8,654
8	OTHER TAXES - OPERATING	50,099	41,295	40,086	37,236	33,575
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	21,427	22,141	22,604	23,069	22,929
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	3,000	3,000	3,000	3,000	3,000
11	EARNINGS AVAILABLE FOR COMMON EQUITY	43,353	58,896	52,307	61,424	29,973
12	TOTAL	$ 482,487	$ 463,827	$ 404,392	$ 383,025	$ 317,332
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	-	-	-	-	-
14	OTHER OPERATION AND MAINTENANCE EXPENSES	51.6	47.9	48.6	46.0	52.3
15	DEPRECIATION AND AMORTIZATION EXPENSES	14.9	15.3	17.5	14.0	16.7
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	9.1	9.8	4.7	7.4	2.7
18	OTHER TAXES - OPERATING	10.4	8.9	9.9	9.7	10.6
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.4	4.8	5.6	6.0	7.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.6	0.7	0.8	0.9
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.0	12.7	12.9	16.0	9.4
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	-	-	-	-	-
24	OTHER OPERATION AND MAINTENANCE EXPENSES	15.56	17.41	15.83	14.48	11.00
25	DEPRECIATION AND AMORTIZATION EXPENSES	4.48	5.55	5.71	4.43	3.52
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.75	3.58	1.53	2.34	0.57
28	OTHER TAXES - OPERATING	3.13	3.24	3.23	3.06	2.22
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1.34	1.74	1.82	1.90	1.52
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.19	0.24	0.24	0.25	0.20
31	EARNINGS AVAILABLE FOR COMMON EQUITY	2.71	4.62	4.21	5.06	1.98
32	TOTAL	$ 30.15	$ 36.38	$ 32.58	$ 31.52	$ 21.01

* YEAR END AVERAGE



COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CHAMPLAIN TELEPHONE COMPANY, THE

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 6,803,054	$ 6,566,363	$ 5,548,238	$ 4,822,238	$ 4,677,939
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,463,121	1,447,471	1,385,645	1,192,161	1,342,297
3	NET TELEPHONE PLANT	5,339,933	5,118,892	4,162,593	3,630,077	3,335,642
4	INVESTMENTS IN AFFILIATED COMPANIES	53,210	18,604	6,000	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	10,697	-	-
7	OTHER INVESTMENTS AND FUNDS	30,892	26,712	11,912	11,912	-
8	TOTAL INVESTMENTS AND FUNDS	84,102	45,316	28,609	11,912	-
9	CASH AND WORKING FUNDS	108,885	101,875	92,386	15,616	47,254
10	SPECIAL CASH DEPOSITS	122	122	122	122	122
11	TEMPORARY CASH INVESTMENTS	207,327	846	782	47,053	1,058
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	67,002	19,255	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	241,533	356,335	77,086	138,261	224,138
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	235,933	186,430	217,274	182,285	156,348
15	MATERIALS AND SUPPLIES*	165,921	154,599	110,250	129,378	93,983
16	PREPAYMENTS	67,216	56,595	43,787	42,689	36,723
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	1,093,938	876,057	541,666	553,404	559,626
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	43,102	44,551	46,000	47,449	48,898
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	19,107	8,072	71,269	51,642	3,830
23	TOTAL DEFERRED DEBITS	62,209	52,623	117,269	99,091	52,728
24	TOTAL ASSETS AND OTHER DEBITS	6,580,183	$ 6,092,888	$ 4,850,137	$ 4,294,484	$ 3,947,996
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 210,000	$ 210,000	$ 210,000	$ 210,000	$ 210,000
26	PREFERRED CAPITAL STOCK	226,050	238,700	252,000	260,000	260,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	1,870,239	1,418,141	1,055,662	944,347	819,848
34	TOTAL PROPRIETARY CAPITAL	2,306,289	1,866,841	1,517,662	1,414,347	1,289,848
35	BONDS(LESS BONDS REACQUIRED)	2,661,684	2,146,812	1,835,462	1,851,743	1,703,577
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	2,661,684	2,146,812	1,835,462	1,851,743	1,703,577
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	361,229	914,082	551,410	557,272	364,441
41	CUSTOMERS'DEPOSITS	456	4,045	2,300	1,000	1,275
42	ADVANCE BILLING AND PAYMENTS	10,180	8,804	19,169	7,671	6,616
43	TAXES ACCRUED	67,444-	45,568	42,212-	245,725-	168,212
44	OTHER CURRENT AND ACCRUED LIABILITIES	36,554	52,031	161,452	37,352	20,424
45	TOTAL CURRENT AND ACCRUED LIABILITIES	340,975	1,024,530	692,119	357,570	560,968
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	470,229	383,814	285,299	276,409	139,538
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	470,229	383,814	285,299	276,409	139,538
50	OPERATING RESERVES	-	71,381	76,108	54,483	2,933
51	ACCUMULATED DEFERRED INCOME TAXES	801,008	599,530	443,467	339,932	251,132
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 6,580,183	$ 6,092,988	$ 4,860,137	$ 4,294,484	$ 3,947,996
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.11	2.01	2.29	2.25	2.11
54	CURRENT ASSETS/CURRENT LIABILITIES	3.21	0.86	0.78	1.55	1.00
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	53.5	53.4	54.7	56.6	56.9
56	PREFERRED STOCK	4.5	5.9	7.5	7.9	8.6
57	COMMON STOCK+OTHER PAID-IN CAPITAL	4.2	5.2	6.2	6.4	7.0
58	RETAINED EARNINGS	37.8	35.3	31.4	28.9	27.3
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	39.1	32.6	33.0	38.4	36.4
60	PERCENT OF NET TELEPHONE PLANT	49.8	41.9	44.0	51.0	51.0
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	21.5	22.0	24.9	24.7	28.6

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CHAMPLAIN TELEPHONE COMPANY, THE

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 3,170,884	$ 3,017,322	$ 2,266,612	$ 2,109,924	$ 1,999,630	1
OPERATION AND MAINTENANCE EXPENSE	1,721,348	1,593,713	1,338,994	1,247,327	1,010,488	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	372,800	319,798	305,234	238,801	193,614	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	241,463	281,916	229,204	171,686	160,963	6
INCOME TAXES-OPERATING	76,671	134,526	2,784-	16,890-	189,306	7
OPERATING INCOME TAXES DEFERRED	244,052	162,538	139,932	115,123	44,978	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	42,576-	6,475-	36,397-	26,323-	15,453-	9
TOTAL OPERATING EXPENSES	2,613,758	2,486,016	1,974,183	1,729,724	1,583,896	10
TOTAL TELEPHONE OPERATING INCOME	557,128	531,306	292,429	380,200	415,734	11
OTHER INCOME						
DIVIDEND INCOME	450	422	392	-	-	12
INTEREST INCOME	7,891	2,817	139	159	-	13
ALLOWANCE FOR CONSTRUCTION FUNDS	29,800	-	-	26,362	3,984	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	35,483	10,617	52-	2,768	35-	17
TOTAL OTHER INCOME	73,624	13,856	479	29,289	3,949	18
TOTAL INCOME	630,750	545,162	292,908	409,489	419,683	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	21	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	2,369	1,855	1,704	1,380	1,229	22
TOTAL INCOME DEDUCTIONS	2,369	1,855	1,704	1,401	1,229	23
INCOME BEFORE INTEREST CHARGES	628,381	543,307	291,204	408,088	418,454	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	115,880	105,908	92,341	86,458	67,192	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	1,449	1,449	1,449	1,449	1,448	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	388	9,549	24,024	33,684	39,345	29
TOTAL INTEREST CHARGES	117,717	116,906	117,814	121,591	107,985	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	510,664	426,401	173,390	286,497	310,469	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	17,826	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	16,371-	3,058-	649-	100,182-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	1,455	3,058-	649-	100,182-	-	35
NET INCOME	$ 512,119	$ 423,343	$ 172,741	$ 186,315	$ 310,469	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 1,418,141	$ 1,055,662	$ 944,347	$ 819,848	$ 553,416	37
BALANCE TRANSFERRED FROM INCOME	512,119	423,343	172,741	186,315	310,469	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	15,104	15,948	16,510	16,900	16,900	42
-COMMON STOCK	44,916	44,916	44,916	44,916	27,137	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,870,239	1,418,141	1,055,662	944,347	819,848	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 1,870,239	$ 1,418,141	$ 1,055,662	$ 944,347	$ 819,848	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	54.2	52.8	59.0	59.1	50.5	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	11.7	10.5	13.4	11.3	9.6	49
TOTAL INCOME TAXES-OPERATING	8.8	9.6	4.4	3.4	10.9	50
OTHER TAXES-OPERATING	7.6	9.3	10.1	8.1	8.0	51
TOTAL OPERATING EXPENSES	82.4	82.3	87.0	81.9	79.2	52
OPERATING INCOME	17.5	17.6	12.9	18.0	20.7	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.4	4.8	5.5	4.9	4.1	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	3.7	3.9	5.2	5.8	5.4	55
PRETAX INTEREST COVERAGE	7.7	7.1	3.3	3.9	5.9	56
NET INCOME-PERCENT OF OPERATING REVENUES	16.1	14.0	7.6	8.8	15.5	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.4	0.5	0.7	0.8	0.8	58
TIMES EARNED	33.9	26.5	10.5	11.0	18.4	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	1.4	1.4	1.9	2.1	1.3	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	9.0	11.0	28.7	26.5	9.2	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	26.8	28.1	12.9	15.5	32.7	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	2.4	3.1	3.7	4.1	3.0	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CHAMPLAIN TELEPHONE COMPANY, THE

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 510,684	$ 426,401	$ 172,741	$ 286,497	$ 310,469
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	374,249	320,889	306,226	240,250	193,614
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	287,881	254,578	112,425	225,671	50,688
4	INTEREST CAPITALIZED	29,800-	-	-	26,362-	3,984-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,143,004	1,001,868	591,392	726,056	550,787
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	1,455	3,058-	-	100,182-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,144,459	998,810	591,392	625,874	550,787
10	LESS DIVIDENDS PREFERRED	15,105	15,948	16,510	16,900	16,900
11	COMMON	44,916	44,916	44,916	44,916	27,137
12	NET FUNDS FROM INTERNAL SOURCES	1,084,438	937,946	529,966	564,058	506,750
	EXTERNAL SOURCES					
13	LONG TERM DEBT	540,884	336,000	-	157,000	835,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	64,000
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	540,884	336,000	-	157,000	899,000
20	OTHER SOURCES (NET)	161,762	282,309	543,055	193,982	96,990
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,787,084	$ 1,556,255	$ 1,073,021	$ 915,040	$ 1,502,740
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 737,554	$ 1,387,398	$ 893,382	$ 662,139	$ 1,001,651
25	NON-UTILITY PLANT	-	-	10,697	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	737,554	1,387,398	904,079	662,139	1,001,651
28	LESS INTEREST CAPITALIZED	29,800	-	-	26,362	3,984
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	707,754	1,387,398	904,079	635,777	997,667
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	26,011	24,670	16,261	8,834	8,423
31	PREFERRED STOCK	12,650	13,300	8,000	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	80,500	90,000	20,553	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	38,661	118,470	114,261	29,387	8,423
37	OTHER USES (NET)	1,040,669	50,387	54,681	249,876	496,650
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,787,084	$ 1,556,255	$ 1,073,021	$ 915,040	$ 1,502,740

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT

YEARS ENDING DECEMBER 31

CHAMPLAIN TELEPHONE COMPANY, THE

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 721,331	$ 708,728	$ 654,808	$ 575,098	$ 512,578	1
ACCESS REVENUES	1,348,925					2
TOLL REVENUES	807,340	2,282,844	1,678,400	1,527,931	1,471,667	3
MISCELLANEOUS REVENUES	305,288	49,750	40,404	31,395	30,885	4
UNCOLLECTIBLE REVENUES-DR	12,000	24,000	107,000	24,500	15,500	5
TOTAL TELEPHONE OPERATING REVENUE	$ 3,170,884	$ 3,017,322	$ 2,266,612	$ 2,109,924	$ 1,999,630	6
TELEPHONE ACCESS LINES IN SERVICE	4,096	3,815	3,834	3,758	3,689	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 182.38	$ 185.31	$ 172.48	$ 154.65	$ 141.46	8
ACCESS REVENUE	341.03					9
TOLL REVENUE	204.11	598.90	442.09	411.40	406.15	10

*YEAR END AVERAGE

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 574,887	$ 530,125	$ 434,888	$ 368,154	$ 319,081	11
DEPRECIATION + AMORTIZATION EXPENSES	372,800	319,798	305,234	238,801	193,614	12
TRAFFIC EXPENSES	251,738	212,170	177,276	204,162	174,221	13
COMMERCIAL EXPENSES	159,323	120,755	95,109	85,722	41,892	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	400,222	423,502	363,005	336,818	263,584	16
OTHER OPERATING EXPENSES	335,178	307,161	268,716	252,471	211,710	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 2,094,148	$ 1,913,511	$ 1,644,228	$ 1,486,128	$ 1,204,102	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 6,782,908	$ 5,911,218	$ 5,114,094	$ 4,731,725	$ 3,617,953	19
PLANT UNDER CONSTRUCTION	20,146	655,145	434,144	90,513	1,059,986	20
PROPERTY HELD FOR FUTURE USE	-					21
PLANT ACQUISITION ADJUSTMENTS	-	-	-		-	22
PLANT ADJUSTMENTS	-	-	-		-	23
TOTAL TELEPHONE UTILITY PLANT	6,803,054	6,566,363	5,548,238	4,822,238	4,677,939	24
ACCUMULATED PROVISION FOR DEPR+AMORT	1,463,121	1,447,471	1,385,645	1,192,161	1,342,297	25
NET TELEPHONE PLANT	$ 5,339,933	$ 5,118,892	$ 4,162,593	$ 3,630,077	$ 3,335,642	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 5,911,218	$ 5,114,094	$ 4,731,725	$ 3,617,953	$ 3,238,758	27
ADDITIONS	1,372,553	1,111,212	560,448	1,631,612	457,679	28
RETIREMENTS	500,863	407,977	178,079	517,840	78,484	29
TRANSFERS AND ADJUSTMENTS	-	93,889		-	-	30
PLANT IN SERVICE END OF YEAR	$ 6,782,908	$ 5,911,218	$ 5,114,094	$ 4,731,725	$ 3,617,953	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CHAMPLAIN TELEPHONE COMPANY, THE

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 3,170,884	$ 3,017,322	$ 2,266,612	$ 2,109,924	$ 1,999,630
2	ACCESS LINES (AVERAGE*)	3,956	3,825	3,797	3,714	3,624
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 1,129,915	$ 947,734	$ 823,872	$ 772,975	$ 624,221
4	OTHER OPERATION AND MAINTENANCE EXPENSES	591,403	645,979	515,122	474,352	386,267
5	DEPRECIATION AND AMORTIZATION EXPENSES	372,800	319,798	305,234	238,801	193,614
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	278,147	290,589	100,751	71,910	218,831
8	OTHER TAXES - OPERATING	241,463	281,916	229,204	171,686	160,963
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	113,381	118,908	117,814	114,974	107,272
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	14,535	15,948	16,510	15,608	16,721
11	EARNINGS AVAILABLE FOR COMMON EQUITY	429,240	398,452	158,105	249,618	291,741
12	TOTAL	$ 3,170,884	$ 3,017,322	$ 2,266,612	$ 2,109,924	$ 1,999,630
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	35.6	31.4	36.3	36.6	31.2
14	OTHER OPERATION AND MAINTENANCE EXPENSES	18.7	21.4	22.7	22.5	19.3
15	DEPRECIATION AND AMORTIZATION EXPENSES	11.8	10.6	13.5	11.3	9.7
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	8.8	9.6	4.4	3.4	10.9
18	OTHER TAXES - OPERATING	7.6	9.3	10.1	8.1	8.0
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.6	3.9	5.2	5.4	5.4
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.5	0.5	0.7	0.7	0.8
21	EARNINGS AVAILABLE FOR COMMON EQUITY	13.5	13.2	7.0	11.8	14.6
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 23.81	$ 20.66	$ 18.08	$ 17.34	$ 14.36
24	OTHER OPERATION AND MAINTENANCE EXPENSES	12.46	14.08	11.31	10.64	8.88
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.85	6.97	6.70	5.36	4.45
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	5.86	6.33	2.21	1.61	5.03
28	OTHER TAXES - OPERATING	5.09	6.14	5.03	3.85	3.70
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.39	2.59	2.59	2.58	2.47
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.31	0.35	0.36	0.35	0.38
31	EARNINGS AVAILABLE FOR COMMON EQUITY	9.04	8.68	3.47	5.60	6.71
32	TOTAL	$ 66.80	$ 65.75	$ 49.75	$ 47.34	$ 45.99

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CHAUTAUQUA AND ERIE TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
			ASSETS AND OTHER DEBITS			
1	TELEPHONE PLANT	$ 14,452,220	$ 13,488,380	$ 13,428,666	$ 12,924,758	$ 12,277,271
2	ACCUMULATED PROVISION FOR DEPR+AMORT	4,015,800	4,453,464	4,206,836	3,789,225	3,306,442
3	NET TELEPHONE PLANT	10,436,420	9,034,916	9,221,830	9,135,533	8,970,829
4	INVESTMENTS IN AFFILIATED COMPANIES	40,324	40,324	40,324	21,947	21,947
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	40,324	40,324	40,324	21,947	21,947
9	CASH AND WORKING FUNDS	84,420	116,878	38,315	72,374	146,139
10	SPECIAL CASH DEPOSITS	182,184	88,305	165	30,500	36,045
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	222,873	19,424	32,016	103	103
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	578,419	516,265	299,113	77,309	73,376
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	254,175	238,250	345,848	316,344	263,159
15	MATERIALS AND SUPPLIES*	217,952	321,082	187,555	189,526	209,641
16	PREPAYMENTS	102,848	94,292	96,179	89,712	77,737
17	OTHER CURRENT AND ACCRUED ASSETS	191,561	188,300	184,234	180,079	162,660
18	TOTAL CURRENT AND ACCRUED ASSETS	1,834,432	1,582,766	1,183,425	955,947	968,660
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	41,602	44,684	47,765	51,108	54,504
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	21,356	42,022	25,921	25,495	34,731
23	TOTAL DEFERRED DEBITS	62,958	86,706	73,686	76,603	89,235
24	TOTAL ASSETS AND OTHER DEBITS	12,374,134	$ 10,744,712	$ 10,519,265	$ 10,190,030	$ 10,050,871
			LIABILITIES AND OTHER CREDITS			
25	COMMON CAPITAL STOCK	$ 780,320	$ 780,320	$ 780,320	$ 780,320	$ 780,320
26	PREFERRED CAPITAL STOCK	650,000	650,000	650,000	650,000	650,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	3,490,893	2,899,814	2,627,976	2,137,882	1,855,217
34	TOTAL PROPRIETARY CAPITAL	4,921,213	4,330,134	4,058,296	3,568,202	3,285,537
35	BONDS(LESS BONDS REACQUIRED)	2,550,000	2,610,000	2,670,000	3,042,000	3,106,000
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	2,550,000	2,610,000	2,670,000	3,042,000	3,106,000
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	36,275	4,781	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	2,980,820	2,281,873	2,402,342	2,429,450	2,706,111
41	CUSTOMERS' DEPOSITS	28,616	43,843	46,105	35,625	32,340
42	ADVANCE BILLING AND PAYMENTS	27,000	27,000	26,000	26,000	37,615
43	TAXES ACCRUED	228,112	232,997	231,432	135,793	88,673
44	OTHER CURRENT AND ACCRUED LIABILITIES	174,775	160,967	155,377	163,202	169,369
45	TOTAL CURRENT AND ACCRUED LIABILITIES	3,475,598	2,731,461	2,861,256	2,790,070	3,034,708
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	591,688	421,083	378,718	330,468	228,958
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	591,688	421,083	378,718	330,468	228,958
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	835,635	652,054	550,995	459,290	395,668
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 12,374,134	$ 10,744,712	$ 10,519,265	$ 10,190,030	$ 10,050,871
			SELECTED BALANCE SHEET RELATIONSHIPS			
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.55	2.89	2.95	2.96	3.00
54	CURRENT ASSETS/CURRENT LIABILITIES	0.53	0.58	0.41	0.34	0.32
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	34.1	37.6	39.6	46.0	48.5
56	PREFERRED STOCK	8.7	9.3	9.6	9.8	10.1
57	COMMON STOCK+OTHER PAID-IN CAPITAL	10.4	11.2	11.5	11.8	12.2
58	RETAINED EARNINGS	46.7	41.7	39.0	32.3	29.0
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	17.6	19.3	19.8	23.5	25.2
60	PERCENT OF NET TELEPHONE PLANT	24.4	28.8	28.9	33.2	34.6
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	27.7	33.0	31.3	29.3	26.9

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CHAUTAUQUA AND ERIE TELEPHONE CORPORATION

ITEM		1985	1984	1983	1982	1981	LINE NO
		COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS					
TELEPHONE OPERATING INCOME							
OPERATING REVENUES	$	5,471,606 $	4,662,279 $	4,466,499 $	4,235,004 $	3,978,004	1
OPERATION AND MAINTENANCE EXPENSE		2,037,618	1,948,106	1,973,472	1,840,706	1,674,171	2
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	3
DEPRECIATION		715,669	676,651	555,653	546,761	524,832	4
AMORTIZATION		-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING		538,783	575,131	543,674	446,141	405,533	6
INCOME TAXES-OPERATING		648,515	346,763	253,892	198,101	136,599	7
OPERATING INCOME TAXES DEFERRED		216,452	138,032	120,224	102,646	129,702	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING		32,872-	36,972-	28,519-	39,024-	39,922-	9
TOTAL OPERATING EXPENSES		4,122,165	3,647,710	3,418,296	3,095,331	2,829,915	10
TOTAL TELEPHONE OPERATING INCOME		1,349,441	1,014,569	1,048, 03	1,139,673	1,148,089	11
OTHER INCOME							
DIVIDEND INCOME		-	4,207	-	2,085	2,085	12
INTEREST INCOME		10,032	-	1,618	3,508	1,401	13
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS		-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY		-	-	-	-	-	16
MISCELLANEOUS INCOME		403	316	644	20,810	38,095	17
TOTAL OTHER INCOME		10,435	4,523	2,262	26,403	41,581	18
TOTAL INCOME		1,359,876	1,019,092	1,050,365	1,166,076	1,189,670	19
INCOME DEDUCTIONS							
TAXES OTHER THAN INC. TAXES-NONOPERATING		-	-	-	-	-	20
INCOME TAXES-NONOPERATING		-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES		20,455	16,852	24,744	9,630	9,166	22
TOTAL INCOME DEDUCTIONS		20,455	16,852	24,744	9,630	9,166	23
INCOME BEFORE INTEREST CHARGES		1,339,421	1,002,240	1,025,621	1,156,446	1,180,504	24
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		223,472	228,647	247,472	255,552	260,313	25
AMORT. OF DEBT DISCOUNT AND EXPENSE		3,082	3,081	3,343	3,395	3,449	26
AMORT. OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES		-	-	-	-	-	28
OTHER INTEREST EXPENSE		176,983	213,530	204,401	329,690	416,698	29
TOTAL INTEREST CHARGES		403,537	445,258	455,216	588,637	680,460	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS		935,884	556,982	570,405	567,809	500,044	31
EXTRAORDINARY/DELAYED ITEMS							
EXTRAORDINARY/DELAYED INCOME CREDITS		-	-	278,053	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES		-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS		-	-	73,220	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT		-	-	204,833	-	-	35
NET INCOME	$	935,884 $	556,982 $	775,238 $	567,809 $	500,044	36
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$	2,899,814 $	2,627,976 $	2,137,882 $	1,855,217 $	1,620,430	37
BALANCE TRANSFERRED FROM INCOME		935,884	556,982	775,238	567,809	500,044	38
MISCELLANEOUS CREDITS		-	-	-	-	-	39
MISCELLANEOUS DEBITS		-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK		46,500	46,500	46,500	46,500	46,500	42
-COMMON STOCK		298,305	238,644	238,644	238,644	218,757	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR		3,490,893	2,899,814	2,627,976	2,137,882	1,855,217	44
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$	3,490,893 $	2,899,814 $	2,627,976 $	2,137,882 $	1,855,217	46
		SELECTED INCOME ACCOUNT RELATIONSHIPS					
PERCENT OF TELEPHONE OPERATING REVENUES:							
OPERATION AND MAINTENANCE EXPENSE		37.2	41.7	44.1	43.4	42.0	47
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION		13.0	14.5	12.4	12.9	13.1	49
TOTAL INCOME TAXES-OPERATING		15.2	9.6	7.7	6.2	5.7	50
OTHER TAXES-OPERATING		9.8	12.3	12.1	10.5	10.1	51
TOTAL OPERATING EXPENSES		75.3	78.2	76.5	73.0	71.1	52
OPERATING INCOME		24.6	21.7	23.4	26.9	28.8	53
DEPR. AND AMORT. % OF TELEPHONE PLANT		4.9	5.0	4.1	4.2	4.2	54
INTEREST EXPENSE:							
PERCENT OF OPERATING REVENUES		7.4	9.6	10.2	13.9	17.1	55
PRETAX INTEREST COVERAGE		5.4	3.3	3.0	2.4	2.0	56
NET INCOME-PERCENT OF OPERATING REVENUES		17.1	11.9	17.3	13.4	12.5	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:							
PERCENT OF OPERATING REVENUES		0.8	0.9	1.0	1.0	1.1	58
TIMES EARNED		20.1	12.0	16.7	12.2	10.8	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:							
PERCENT OF OPERATING REVENUES		5.4	5.1	5.3	5.6	5.4	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK		33.5	46.7	32.7	45.7	48.2	61
PERCENT OF AVERAGE COMMON EQUITY:							
EARNINGS AVAILABLE FOR COMMON STOCK		22.3	14.4	23.0	18.7	18.0	62
DIVIDEND APPROPRIATIONS, COMMON STOCK		7.5	6.7	7.5	8.5	8.6	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CHAUTAUQUA AND ERIE TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 935,884	$ 556,982	$ 570,405	$ 567,809	$ 500,044
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	718,751	679,732	605,472	550,156	528,281
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	354,205	143,405	139,955	165,132	162,207
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	2,008,840	1,380,119	1,315,832	1,283,097	1,190,532
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	204,833	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	2,008,840	1,380,119	1,520,665	1,283,097	1,190,532
10	LESS DIVIDENDS PREFERRED	46,500	46,500	46,500	46,500	46,500
11	COMMON	298,305	238,644	238,644	238,644	218,757
12	NET FUNDS FROM INTERNAL SOURCES	1,664,035	1,094,975	1,235,521	997,953	925,275
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	1,759,500	-	-	-	337,000
17	OTHER (NET)	-	-	-	48,715	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	1,759,500	-	-	48,715	337,000
20	OTHER SOURCES (NET)	87,589	56,241	65,155	150,482	109,331
21						
22						
23	TOTAL FUNDS PROVIDED	$ 3,511,124	$ 1,151,216	$ 1,300,676	$ 1,197,150	$ 1,371,606
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 2,184,096	$ 544,092	$ 753,581	$ 802,925	$ 876,043
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	2,184,096	544,092	753,581	802,925	876,043
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	2,184,096	544,092	753,581	802,925	876,043
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	60,000	60,000	372,000	64,000	151,000
31	PREFERRED STOCK	-	-	-	-	[illegible]
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	[illegible]
33	NET DECREASE IN SHORT TERM DEBT	1,001,500	327,250	97,000	318,250	[illegible]
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	1,061,500	387,250	469,000	382,250	151,000
37	OTHER USES (NET)	265,528	219,874	78,095	11,975	344,563
38						
39						
40	TOTAL FUNDS APPLIED	$ 3,511,124	$ 1,151,216	$ 1,300,676	$ 1,197,150	$ 1,371,606

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT.

YEARS ENDING DECEMBER 31

CHAUTAUQUA AND ERIE TELEPHONE CORPORATION

ITEM		1985	1984	1983	1982	1981	LINE NO
			TELEPHONE OPERATING REVENUES				
OPERATING REVENUES							
LOCAL REVENUES	$	1,282,759	$ 1,276,635	$ 1,268,441	$ 1,223,214	$ 1,162,590	1
ACCESS REVENUES		1,426,688					2
TOLL REVENUES		2,146,919	3,048,407	3,082,571	2,903,848	2,736,632	3
MISCELLANEOUS REVENUES		650,144	343,283	121,987	125,580	101,188	4
UNCOLLECTIBLE REVENUES-DR		34,904	6,046	6,500	17,638	22,406	5
TOTAL TELEPHONE OPERATING REVENUE	$	5,471,606	$ 4,662,279	$ 4,466,499	$ 4,235,004	$ 3,978,004	6
TELEPHONE ACCESS LINES IN SERVICE		8,660	8,551	8,265	8,166	8,082	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 149.06	$ 151.84	$ 154.40	$ 150.57	$ 145.20	8
ACCESS REVENUE		165.79					9
TOLL REVENUE		249.48	362.56	375.21	357.44	341.78	10
*YEAR END AVERAGE							
			TELEPHONE OPERATION AND MAINTENANCE EXPENSES				
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	605,543	$ 555,499	$ 566,397	$ 538,740	$ 507,489	11
DEPRECIATION + AMORTIZATION EXPENSES		715,669	676,651	555,653	546,761	524,832	12
TRAFFIC EXPENSES		247,440	234,128	212,523	201,997	191,699	13
COMMERCIAL EXPENSES		179,589	181,096	225,254	201,370	178,001	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		689,229	605,008	558,692	571,385	501,154	16
OTHER OPERATING EXPENSES		315,817	372,376	410,006	327,214	295,828	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	2,753,287	$ 2,624,758	$ 2,529,125	$ 2,387,467	$ 2,199,003	18
			TELEPHONE UTILITY PLANT				
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	14,410,385	$ 13,519,250	$ 13,335,432	$ 12,866,385	$ 12,239,678	19
PLANT UNDER CONSTRUCTION		41,835	30,870-	93,234	58,373	37,593	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		14,452,220	13,488,380	13,428,666	12,924,758	12,277,271	24
ACCUMULATED PROVISION FOR DEPR+AMORT		4,015,800	4,453,464	4,206,836	3,789,225	3,306,442	25
NET TELEPHONE PLANT	$	10,436,420	$ 9,034,916	$ 9,221,830	$ 9,135,533	$ 8,970,829	26
PLANT IN SERVICE BEGINNING OF YEAR	$	13,519,250	$ 13,335,432	$ 12,866,385	$ 12,239,678	$ 11,451,722	27
ADDITIONS		2,111,391	668,195	718,332	782,145	962,607	28
RETIREMENTS		1,220,256	484,377	249,285	155,438	174,651	29
TRANSFERS AND ADJUSTMENTS		-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$	14,410,385	$ 13,519,250	$ 13,335,432	$ 12,866,385	$ 12,239,678	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CHAUTAUQUA AND ERIE TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 5,471,606	$ 4,662,279	$ 4,466,499	$ 4,235,004	$ 3,978,004
2	ACCESS LINES (AVERAGE*)	8,606	8,408	8,216	8,124	8,007
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 1,241,138	$ 1,249,589	$ 1,236,826	$ 1,113,917	$ 207,015
4	OTHER OPERATION AND MAINTENANCE EXPENSES	796,480	698,516	736,646	726,789	1,487,156
5	DEPRECIATION AND AMORTIZATION EXPENSES	715,669	676,651	555,653	546,761	524,832
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	830,095	447,823	345,597	261,723	225,379
8	OTHER TAXES - OPERATING	538,783	575,131	543,674	446,141	405,533
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	403,537	445,258	455,216	588,637	680,460
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	46,500	46,500	46,500	46,500	46,500
11	EARNINGS AVAILABLE FOR COMMON EQUITY	899,404	522,811	546,387	504,536	421,129
12	TOTAL	$ 5,471,606	$ 4,662,279	$ 4,466,499	$ 4,235,004	$ 3,978,004
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	22.7	26.8	27.7	26.3	5.2
14	OTHER OPERATION AND MAINTENANCE EXPENSES	14.6	15.0	16.5	17.2	36.9
15	DEPRECIATION AND AMORTIZATION EXPENSES	13.1	14.5	12.4	12.9	13.2
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	15.2	9.6	7.7	6.2	5.7
18	OTHER TAXES - OPERATING	9.8	12.3	12.2	10.5	10.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.4	9.6	10.2	13.9	17.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.8	1.0	1.0	1.1	1.2
21	EARNINGS AVAILABLE FOR COMMON EQUITY	16.4	11.2	12.2	11.9	10.6
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 12.02	$ 12.38	$ 12.55	$ 11.43	$ 2.15
24	OTHER OPERATION AND MAINTENANCE EXPENSES	7.71	6.92	7.47	7.46	15.27
25	DEPRECIATION AND AMORTIZATION EXPENSES	6.93	6.71	5.64	5.61	5.46
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	8.04	4.44	3.51	2.68	2.35
28	OTHER TAXES - OPERATING	5.22	5.70	5.51	4.58	4.22
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.91	4.41	4.62	6.04	7.08
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.45	0.46	0.47	0.48	0.48
31	EARNINGS AVAILABLE FOR COMMON EQUITY	8.71	5.18	5.54	5.18	4.38
32	TOTAL	$ 52.99	$ 46.21	$ 45.31	$ 43.44	$ 41.40

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CHAZY AND WESTPORT TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 4,000,227	$ 3,713,477	$ 3,336,196	$ 3,193,301	$ 2,917,678
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,079,703	892,695	949,952	780,471	608,420
3	NET TELEPHONE PLANT	2,920,524	2,820,782	2,386,244	2,412,830	2,309,258
4	INVESTMENTS IN AFFILIATED COMPANIES	64,559	57,653	25,621	14,732	1,000
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	75	75	75	75	75
7	OTHER INVESTMENTS AND FUNDS	162,700	92,700	89,700	89,700	89,700
8	TOTAL INVESTMENTS AND FUNDS	227,334	150,428	115,396	104,507	90,775
9	CASH AND WORKING FUNDS	34,610	52,567	57,454	21,012	42,671
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	1,000	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	89,695	42,621	45,961	7,388	19
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	158,061	194,125	56,989	50,765	43,767
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	154,968	149,952	149,685	160,090	129,916
15	MATERIALS AND SUPPLIES*	75,038	72,798	68,534	53,056	39,992
16	PREPAYMENTS	47,399	49,424	50,798	47,140	36,090
17	OTHER CURRENT AND ACCRUED ASSETS	58,504	50,975	44,232	38,341	34,122
18	TOTAL CURRENT AND ACCRUED ASSETS	618,275	612,462	474,653	377,792	326,577
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	13,573	14,138	4,986	5,177	5,368
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	-	-	-
23	TOTAL DEFERRED DEBITS	13,573	14,138	4,986	5,177	5,368
24	TOTAL ASSETS AND OTHER DEBITS	3,779,706	$ 3,597,810	$ 2,981,279	$ 2,900,306	$ 2,731,978
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 62,100	$ 62,100	$ 62,100	$ 62,100	$ 62,100
26	PREFERRED CAPITAL STOCK	130,000	130,000	130,000	130,000	130,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	824,518	664,533	571,730	470,083	377,175
34	TOTAL PROPRIETARY CAPITAL	1,016,618	856,633	763,830	662,183	569,275
35	BONDS(LESS BONDS REACQUIRED)	2,203,238	1,730,921	1,761,232	1,785,462	1,749,111
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	2,203,238	1,730,921	1,761,232	1,785,462	1,749,111
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	2,370	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	211,867	747,279	207,718	264,936	287,934
41	CUSTOMERS' DEPOSITS	1,085	450	250	1,025	685
42	ADVANCE BILLING AND PAYMENTS	14,706	20,076	15,120	11,839	9,884
43	TAXES ACCRUED	14,625-	4,949	3,548	4,481	6,877
44	OTHER CURRENT AND ACCRUED LIABILITIES	7,285	9,830	19,452	14,090	8,866
45	TOTAL CURRENT AND ACCRUED LIABILITIES	222,488	782,584	246,088	296,371	314,246
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	52,934	57,997	61,956	63,606	64,846
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	52,934	57,997	61,956	63,606	64,846
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	284,428	169,675	148,173	92,684	34,500
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,779,706	$ 3,597,810	$ 2,981,279	$ 2,900,306	$ 2,731,978
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.38	2.28	2.35	2.36	2.54
54	CURRENT ASSETS/CURRENT LIABILITIES	2.78	0.78	1.93	1.27	1.04
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	68.4	66.8	69.7	72.9	75.4
56	PREFERRED STOCK	4.0	5.0	5.1	5.3	5.6
57	COMMON STOCK+OTHER PAID-IN CAPITAL	1.9	2.3	2.4	2.5	2.6
58	RETAINED EARNINGS	25.6	25.6	22.6	19.2	16.2
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	55.0	46.6	52.7	55.9	59.9
60	PERCENT OF NET TELEPHONE PLANT	75.4	61.3	73.8	73.9	75.7
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	26.9	24.0	28.4	24.4	20.8

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CHAZY AND WESTPORT TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,633,876	$ 1,559,294	$ 1,388,265	$ 1,294,719	$ 1,061,126	1
OPERATION AND MAINTENANCE EXPENSE	937,644	1,024,466	797,486	719,341	553,055	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	164,555	208,815	204,574	201,670	164,452	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	125,178	137,902	124,508	100,684	83,515	6
INCOME TAXES-OPERATING	752-	4,595-	4,180	4,151	19,315	7
OPERATING INCOME TAXES DEFERRED	114,753	21,502	55,489	58,184	34,500	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	1,341,376	1,388,090	1,186,237	1,084,030	854,837	10
TOTAL TELEPHONE OPERATING INCOME	292,500	171,204	202,028	210,689	206,289	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	1,518	988	78	-	-	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	8,951	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	12,110	37,189	16,891	9,068	6,633	17
TOTAL OTHER INCOME	13,628	38,177	16,969	9,068	15,584	18
TOTAL INCOME	306,128	209,381	218,997	219,757	221,873	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	1,789	5,127	785	1,014	182	22
TOTAL INCOME DEDUCTIONS	1,789	5,127	785	1,014	182	23
INCOME BEFORE INTEREST CHARGES	304,339	204,254	218,212	218,743	221,691	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	123,739	86,909	88,207	88,706	79,510	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	565	191	191	191	191	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	13,550	17,851	21,687	30,589	32,020	29
TOTAL INTEREST CHARGES	137,854	104,951	110,065	119,486	111,721	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	166,485	99,303	108,147	99,257	109,970	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	151	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	151	-	35
NET INCOME	$ 166,485	$ 99,303	$ 108,147	$ 99,408	$ 109,970	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 664,533	$ 571,730	$ 470,083	$ 377,175	$ 273,705	37
BALANCE TRANSFERRED FROM INCOME	166,485	99,303	108,147	99,408	109,970	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	6,500	6,500	6,500	6,500	6,500	42
-COMMON STOCK	-	-	-	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	824,518	664,533	571,730	470,083	377,175	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 824,518	$ 664,533	$ 571,730	$ 470,083	$ 377,175	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	57.3	65.7	57.4	55.5	52.1	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	10.0	13.3	14.7	15.5	15.4	49
TOTAL INCOME TAXES-OPERATING	7.0	1.1	4.3	4.8	5.1	50
OTHER TAXES-OPERATING	7.6	8.8	8.9	7.7	7.8	51
TOTAL OPERATING EXPENSES	82.0	89.0	85.4	83.7	80.5	52
OPERATING INCOME	17.9	10.9	14.5	16.2	19.4	53
DEPR. AND AMORT % OF TELEPHONE PLANT	4.1	5.6	6.1	6.3	5.6	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	8.4	6.7	7.9	9.2	10.5	55
PRETAX INTEREST COVERAGE	3.0	2.1	2.5	2.3	2.4	56
NET INCOME-PERCENT OF OPERATING REVENUES	10.1	6.3	7.7	7.6	10.3	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.3	0.4	0.4	0.5	0.6	58
TIMES EARNED	25.6	15.3	16.6	15.3	16.9	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	-	-	-	-	-	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	19.8	13.6	17.4	19.1	26.6	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CHAZY AND WESTPORT TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 166,485	$ 99,303	$ 108,147	$ 99,257	$ 109,970
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	207,090	250,318	242,686	232,247	108,766
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	109,690	17,543	53,839	56,944	44,658
4	INTEREST CAPITALIZED	-	-	-	-	8,951-
5	OTHER (NET)	7,196	2,979	15,157	25,220	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	490,461	370,143	419,829	413,668	254,443
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	151	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	490,461	370,143	419,829	413,819	254,443
10	LESS DIVIDENDS: PREFERRED	6,500	6,500	6,500	6,500	6,500
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	483,961	363,643	413,329	407,319	247,943
	EXTERNAL SOURCES					
13	LONG TERM DEBT	505,574	-	-	58,540	491,365
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	280,762	-	-	125,000
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	505,574	280,762	-	58,540	616,365
20	OTHER SOURCES (NET):	-	116,551	-	-	56,593
21						
22						
23	TOTAL FUNDS PROVIDED	$ 989,535	$ 760,956	$ 413,329	$ 465,859	$ 920,901
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 313,463	$ 687,644	$ 231,066	$ 360,848	$ 779,784
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	313,463	687,644	231,066	360,848	779,784
28	LESS INTEREST CAPITALIZED	-	-	-	-	8,951
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	313,463	687,644	231,066	360,848	770,833
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	33,257	30,311	24,230	22,189	21,120
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	425,762	-	20,000	20,000	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	459,019	30,311	44,230	42,189	21,120
37	OTHER USES (NET)	217,053	43,001	138,033	62,822	128,948
38						
39						
40	TOTAL FUNDS APPLIED	$ 989,535	$ 760,956	$ 413,329	$ 465,859	$ 920,901

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT.

YEARS ENDING DECEMBER 31

CHAZY AND WESTPORT TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 350,970	$ 348,404	$ 351,961	$ 347,570	$ 343,399	1
ACCESS REVENUES	483,057					2
TOLL REVENUES	694,457	1,180,116	1,008,212	929,916	703,126	3
MISCELLANEOUS REVENUES	116,192	52,035	37,692	26,833	24,972	4
UNCOLLECTIBLE REVENUES-DR	10,800	19,261	9,600	9,600	10,371	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,633,876	$ 1,559,294	$ 1,388,265	$ 1,294,719	$ 1,061,126	6
TELEPHONE ACCESS LINES IN SERVICE	2,522	2,530	2,411	2,262	2,274	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 138.94	$ 140.22	$ 150.64	$ 153.25	$ 153.03	8
ACCESS REVENUE	191.23					9
TOLL REVENUE	274.92	477.68	431.51	410.02	313.34	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 341,147	$ 334,081	$ 295,477	$ 283,641	$ 201,905	11
DEPRECIATION + AMORTIZATION EXPENSES	164,555	208,815	204,574	201,670	164,452	12
TRAFFIC EXPENSES	36,885	40,694	10,648	11,081	10,194	13
COMMERCIAL EXPENSES	121,130	118,258	91,596	78,634	61,272	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	278,311	308,008	265,789	219,074	188,539	16
OTHER OPERATING EXPENSES	159,571	223,427	133,976	126,911	91,145	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,102,199	$ 1,233,281	$ 1,002,060	$ 921,011	$ 717,507	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 3,897,018	$ 3,589,670	$ 3,259,764	$ 3,102,613	$ 2,905,190	19
PLANT UNDER CONSTRUCTION	103,209	123,807	78,432	90,688	12,488	20
PROPERTY HELD FOR FUTURE USE	-	-	-		-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-		-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	4,000,227	3,713,477	3,338,196	3,193,301	2,917,678	24
ACCUMULATED PROVISION FOR DEPR+AMORT	1,079,703	892,695	949,952	780,471	608,420	25
NET TELEPHONE PLANT	$ 2,920,524	$ 2,820,782	$ 2,388,244	$ 2,412,830	$ 2,309,258	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 3,589,670	$ 3,259,764	$ 3,102,613	$ 2,905,190	$ 2,399,498	27
ADDITIONS	334,061	640,269	245,322	282,648	848,397	28
RETIREMENTS	26,713	310,363	88,171	85,225	342,705	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 3,897,018	$ 3,589,670	$ 3,259,764	$ 3,102,613	$ 2,905,190	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CHAZY AND WESTPORT TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,633,876	$ 1,559,294	$ 1,388,265	$ 1,294,719	$ 1,061,126
2	ACCESS LINES (AVERAGE*)	2,526	2,471	2,337	2,268	2,244
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 427,722	$ 379,906	$ 348,750	$ 327,325	$ 247,147
4	OTHER OPERATION AND MAINTENANCE EXPENSES	509,922	644,580	448,736	392,016	305,908
5	DEPRECIATION AND AMORTIZATION EXPENSES	164,555	208,815	204,574	201,670	164,452
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	114,001	16,907	59,889	62,335	53,815
8	OTHER TAXES - OPERATING	125,176	137,902	124,508	100,684	83,515
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	137,854	104,951	110,085	119,486	107,630
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	6,500	6,500	6,500	6,500	6,169
11	EARNINGS AVAILABLE FOR COMMON EQUITY	148,146	59,753	85,463	84,703	92,490
12	TOTAL	$ 1,633,876	$ 1,559,294	$ 1,388,265	$ 1,294,719	$ 1,061,126
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	26.2	24.4	25.1	25.3	23.3
14	OTHER OPERATION AND MAINTENANCE EXPENSES	31.2	41.3	32.3	30.3	28.8
15	DEPRECIATION AND AMORTIZATION EXPENSES	10.1	13.4	14.7	15.6	15.5
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	7.0	1.1	4.3	4.8	5.1
18	OTHER TAXES - OPERATING	7.7	8.8	9.0	7.8	7.9
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.4	6.7	7.9	9.2	10.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.4	0.5	0.5	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.1	3.8	6.2	6.5	8.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 14.11	$ 12.81	$ 12.44	$ 12.03	$ 9.18
24	OTHER OPERATION AND MAINTENANCE EXPENSES	16.82	21.74	16.00	14.40	11.36
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.43	7.04	7.30	7.41	6.11
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	3.76	0.57	2.13	2.29	2.00
28	OTHER TAXES - OPERATING	4.13	4.65	4.44	3.70	3.10
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.55	3.54	3.93	4.39	4.00
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.21	0.22	0.23	0.24	0.23
31	EARNINGS AVAILABLE FOR COMMON EQUITY	4.89	2.02	3.05	3.11	3.43
32	TOTAL	$ 53.90	$ 52.60	$ 49.51	$ 47.57	$ 39.41

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CITIZENS TELEPHONE CO. OF HAMMOND, N.Y., INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 1,753,537	$ 1,654,821	$ 1,591,732	$ 1,488,941	$ 1,327,777
2	ACCUMULATED PROVISION FOR DEPR+AMORT	475,875	384,847	332,664	258,158	200,979
3	NET TELEPHONE PLANT	1,277,662	1,269,974	1,259,068	1,230,783	1,126,798
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	5,406	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	5,000	450	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	10,406	450	-	-	-
9	CASH AND WORKING FUNDS	18,780	13,819	1,996	78,938	23,495
10	SPECIAL CASH DEPOSITS	22,256	19,226	151,632	-	24,048
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	90,543	59,187	36,198	32,303	46,689
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	37,049	41,376	8,682	8,341	7,969
15	MATERIALS AND SUPPLIES*	8,120	15,436	15,359	10,738	13,258
16	PREPAYMENTS	12,921	10,106	12,796	13,553	9,877
17	OTHER CURRENT AND ACCRUED ASSETS	-	5,308	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	189,669	164,458	226,663	143,870	125,336
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	11,924	1,250	12,796	13,232	13,669
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	12,380	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	11,019	2,861	1,938	1,885	1,635
23	TOTAL DEFERRED DEBITS	22,943	16,491	14,734	15,117	15,304
24	TOTAL ASSETS AND OTHER DEBITS	1,500,680	$ 1,451,373	$ 1,500,465	$ 1,389,770	$ 1,267,438
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 42,000	$ 42,000	$ 42,000	$ 42,000	$ 42,000
26	PREFERRED CAPITAL STOCK	19,200	19,200	19,200	19,200	19,200
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	63,093	17,019	23,716-	26,046	49,993-
34	TOTAL PROPRIETARY CAPITAL	124,293	78,219	37,484	87,246	11,207
35	BONDS(LESS BONDS REACQUIRED)	1,013,114	1,013,120	1,072,849	1,100,638	1,122,640
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	1,013,114	1,013,120	1,072,849	1,100,638	1,122,640
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	144,526	140,887	237,896	175,589	114,645
41	CUSTOMERS' DEPOSITS	2,360	1,165	1,360	1,230	1,000
42	ADVANCE BILLING AND PAYMENTS	2,834	-	2,960	3,490	3,390
43	TAXES ACCRUED	16,238	23,054	10,903	6,986	8,873
44	OTHER CURRENT AND ACCRUED LIABILITIES	11,344	44,181	160	5,502	5,683
45	TOTAL CURRENT AND ACCRUED LIABILITIES	177,302	209,287	253,279	192,797	133,591
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	23,647	-	-	-	-
48	OTHER DEFERRED CREDITS	130,924	-	122,339	-	-
49	TOTAL DEFERRED CREDITS	154,571	-	122,339	-	-
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	31,400	150,747	14,514	9,089	-
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,500,680	$ 1,451,373	$ 1,500,465	$ 1,389,770	$ 1,267,438
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.38	2.82	2.90	2.75	3.46
54	CURRENT ASSETS/CURRENT LIABILITIES	1.07	0.79	0.89	0.75	0.94
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	89.0	92.8	96.6	92.6	99.0
56	PREFERRED STOCK	1.6	1.7	1.7	1.6	1.6
57	COMMON STOCK+OTHER PAID-IN CAPITAL	3.6	3.8	3.7	3.5	3.7
58	RETAINED EARNINGS	5.5	1.5	2.0-	2.1	4.3-
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	57.7	61.2	67.4	73.9	84.5
60	PERCENT OF NET TELEPHONE PLANT	79.2	79.7	85.2	89.4	99.6
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	27.1	23.2	20.8	17.3	15.1

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CITIZENS TELEPHONE CO. OF HAMMOND,N.Y.,INC

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 715,208	$ 575,492	$ 531,215	$ 511,579	$ 383,071	1
OPERATION AND MAINTENANCE EXPENSE	476,258	388,910	358,805	293,293	241,467	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	72,308	69,778	65,863	61,599	52,597	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	60,159	60,914	48,953	45,829	37,038	6
INCOME TAXES-OPERATING	23,647	5,542	-	-	-	7
OPERATING INCOME TAXES DEFERRED	11,577	-	5,425	9,089	-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	643,947	525,144	479,046	409,810	331,102	10
TOTAL TELEPHONE OPERATING INCOME	71,261	50,348	52,169	101,769	51,969	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	-	388	371	4,488	599	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	1,380-	-	-	-	16
MISCELLANEOUS INCOME	587	-	249	-	-	17
TOTAL OTHER INCOME	587	992-	620	4,488	599	18
TOTAL INCOME	71,848	49,356	52,789	106,257	52,568	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	2,215	1,892	1,692	2,773	2,936	22
TOTAL INCOME DEDUCTIONS	2,215	1,892	1,692	2,773	2,936	23
INCOME BEFORE INTEREST CHARGES	69,633	47,464	51,097	103,484	49,632	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	20,456	21,777	21,777	22,185	21,161	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	436	436	436	436	436	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	1,516	4,976	-	3,672	5,644	29
TOTAL INTEREST CHARGES	22,408	27,189	22,213	26,293	27,241	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	47,225	20,275	28,884	77,191	22,391	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 47,225	$ 20,275	$ 28,884	$ 77,191	$ 22,391	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 17,019	$ 23,716-	$ 26,046	$ 49,993-	$ 71,232-	37
BALANCE TRANSFERRED FROM INCOME	47,225	20,275	28,884	77,191	22,391	38
MISCELLANEOUS CREDITS	-	21,612	-	-	-	39
MISCELLANEOUS DEBITS	-	-	78,646	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	1,152	1,152	-	1,152	1,152	42
-COMMON STOCK	-	-	-	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	63,093	17,019	23,716-	26,046	49,993-	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 63,093	$ 17,019	$ 23,716-	$ 26,046	$ 49,993-	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	66.5	67.5	67.5	57.3	63.0	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	10.1	12.1	12.3	12.0	13.7	49
TOTAL INCOME TAXES-OPERATING	4.9	1.0	1.0	1.8	-	50
OTHER TAXES-OPERATING	8.4	10.5	9.2	8.9	9.6	51
TOTAL OPERATING EXPENSES	90.0	91.2	90.1	80.1	86.4	52
OPERATING INCOME	9.9	8.7	9.8	19.8	13.5	53
DEPR. AND AMORT % OF TELEPHONE PLANT	4.1	4.2	4.1	4.1	3.9	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	3.1	4.7	4.2	5.1	7.1	55
PRETAX INTEREST COVERAGE	4.7	1.9	2.5	4.3	1.8	56
NET INCOME-PERCENT OF OPERATING REVENUES	6.6	3.5	5.4	15.0	5.8	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.1	0.2	-	0.2	0.3	58
TIMES EARNED	41.0	17.6	-	67.0	19.4	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	-	-	-	-	-	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	58.1	49.4	66.9	-	-	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CITIZENS TELEPHONE CO. OF HAMMOND, N.Y., INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 47,225	$ 20,275	$ 28,884	$ 77,191	$ 22,391
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	70,974	77,566	76,633	70,986	60,988
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	35,224	5,542	5,425	9,089	-
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	153,423	103,383	110,942	157,266	83,379
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	153,423	103,383	110,942	157,266	83,379
10	LESS DIVIDENDS: PREFERRED	1,152	1,152	-	1,152	1,152
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	152,271	102,231	110,942	156,114	82,227
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	5,380	161,840
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	1,004	40,000	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	1,004	45,380	161,840
20	OTHER SOURCES (NET)	-	19,785	123,043	10,734	31,307
21						
22						
23	TOTAL FUNDS PROVIDED	$ 152,271	$ 122,016	$ 234,989	$ 212,228	$ 275,174
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 78,226	$ 88,035	$ 104,481	$ 180,921	$ 62,719
25	NON-UTILITY PLANT	4,956	450	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	83,182	88,485	104,481	180,921	62,719
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	83,182	88,485	104,481	180,921	62,719
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	30,921	32,587	27,789	27,382	20,397
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	14,702	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	45,623	32,587	27,789	27,382	20,397
37	OTHER USES (NET)	23,466	944	102,719	3,925	192,058
38						
39						
40	TOTAL FUNDS APPLIED	$ 152,271	$ 122,016	$ 234,989	$ 212,228	$ 275,174

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

CITIZENS TELEPHONE CO. OF HAMMOND, N.Y., INC

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	121,499 $	111,845 $	78,901 $	115,399 $	111,454	1
ACCESS REVENUES		129,027					2
TOLL REVENUES		461,586	463,695	455,060	391,299	273,234	3
MISCELLANEOUS REVENUES		1,414	3,444	2,154	6,081	2,683	4
UNCOLLECTIBLE REVENUES-DR		1,200	3,492	4,900	1,200	4,300	5
TOTAL TELEPHONE OPERATING REVENUE	$	712,326 $	575,492 $	531,215 $	511,579 $	383,071	6
TELEPHONE ACCESS LINES IN SERVICE		1,098	936	1,011	960	951	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 119.59	$ 114.89	$ 80.06	$ 120.77	$ 118.32	8
ACCESS REVENUE		127.00					9
TOLL REVENUE		454.32	476.32	461.76	409.52	290.06	10
*YEAR END AVERAGE							
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	210,557 $	192,179 $	144,309 $	130,487 $	87,738	11
DEPRECIATION + AMORTIZATION EXPENSES		72,306	69,778	65,863	61,599	52,597	12
TRAFFIC EXPENSES		28,727	5,568	4,609	4,893	3,040	13
COMMERCIAL EXPENSES		25,089	24,449	20,503	19,968	12,750	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		123,627	98,744	73,748	73,568	55,518	16
OTHER OPERATING EXPENSES		88,258	67,970	115,636	64,377	82,421	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	548,564 $	458,688 $	424,668 $	354,892 $	294,064	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	1,656,220 $	1,620,312 $	1,364,001 $	1,339,512 $	1,270,595	19
PLANT UNDER CONSTRUCTION		73,632	9,132	200,662	120,668	26,726	20
PROPERTY HELD FOR FUTURE USE		-	25,377	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		23,685	-	27,069	28,761	30,456	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		1,753,537	1,654,821	1,591,732	1,488,941	1,327,777	24
ACCUMULATED PROVISION FOR DEPR+AMORT		475,875	384,847	332,664	258,158	200,979	25
NET TELEPHONE PLANT	$	1,277,662 $	1,269,974 $	1,259,068 $	1,230,783 $	1,126,798	26
PLANT IN SERVICE BEGINNING OF YEAR	$	1,620,312 $	1,364,001 $	1,339,512 $	1,270,595 $	814,597	27
ADDITIONS		35,908	285,909	24,877	86,979	510,013	28
RETIREMENTS		-	29,598	-	18,062	54,015	29
TRANSFERS AND ADJUSTMENTS		-	-	388-	-	-	30
PLANT IN SERVICE END OF YEAR	$	1,656,220 $	1,620,312 $	1,364,001 $	1,339,512 $	1,270,595	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CITIZENS TELEPHONE CO. OF HAMMOND, N.Y., INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 715,208	$ 575,482	$ 531,215	$ 511,579	$ 383,071
2	ACCESS LINES (AVERAGE*)	1,016	974	986	956	942
	DOLLAR AMOUNTS					
3	WAGES AND BENEFITS	$ 198,312	$ 173,430	$ 130,513	$ 114,460	$ 73,806
4	OTHER OPERATION AND MAINTENANCE EXPENSES	279,946	215,480	228,292	178,833	167,661
5	DEPRECIATION AND AMORTIZATION EXPENSES	72,308	69,778	65,863	61,599	52,597
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	35,224	5,542	5,425	9,089	-
8	OTHER TAXES - OPERATING	60,159	60,914	48,953	45,829	37,038
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	22,408	27,189	22,213	26,293	27,241
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1,152	1,152	-	1,152	1,152
11	EARNINGS AVAILABLE FOR COMMON EQUITY	47,701	22,007	29,956	74,324	23,576
12	TOTAL	$ 715,208	$ 575,492	$ 531,215	$ 511,579	$ 383,071
	PERCENT OF REVENUES					
13	WAGES AND BENEFITS	27.4	30.1	24.6	22.4	19.3
14	OTHER OPERATION AND MAINTENANCE EXPENSES	39.1	37.4	43.0	35.0	43.8
15	DEPRECIATION AND AMORTIZATION EXPENSES	10.1	12.1	12.4	12.0	13.7
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	4.9	1.0	1.0	1.8	-
18	OTHER TAXES - OPERATING	8.4	10.6	9.2	9.0	9.7
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.1	4.7	4.2	5.1	7.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.2	0.2	-	0.2	0.3
21	EARNINGS AVAILABLE FOR COMMON EQUITY	6.7	3.8	5.6	14.5	6.2
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER AVERAGE ACCESS LINE PER MONTH					
23	WAGES AND BENEFITS	$ 16.10	$ 14.85	$ 11.04	$ 9.98	$ 6.53
24	OTHER OPERATION AND MAINTENANCE EXPENSES	22.96	18.45	19.30	15.60	14.83
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.93	5.97	5.57	5.37	4.65
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.89	0.47	0.46	0.79	-
28	OTHER TAXES - OPERATING	4.93	5.21	4.14	4.00	3.28
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1.84	2.33	1.88	2.29	2.41
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.09	0.10	-	0.10	0.10
31	EARNINGS AVAILABLE FOR COMMON EQUITY	3.91	1.88	2.53	6.48	2.09
32	TOTAL	$ 58.66	$ 49.28	$ 44.92	$ 44.62	$ 33.89

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CLYMER TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 1,378,751	$ 1,373,642	$ 1,284,711	$ 1,251,962	$ 1,180,719
2	ACCUMULATED PROVISION FOR DEPR+AMORT	554,335	510,371	451,263	399,045	382,257
3	NET TELEPHONE PLANT	824,416	863,271	833,448	852,917	798,462
4	INVESTMENTS IN AFFILIATED COMPANIES	-		-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	533-	22	2,014	-	-
7	OTHER INVESTMENTS AND FUNDS	12,498	11,575	10,717	9,929	9,292
8	TOTAL INVESTMENTS AND FUNDS	11,965	11,597	12,731	9,929	9,292
9	CASH AND WORKING FUNDS	140,217	82,153	69,513	42,282	57,509
10	SPECIAL CASH DEPOSITS	-	150	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	34,134	13,329	6,037	278	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	19,934-	79,128	3,730	20,125	214
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	44,612	39,027	46,140	38,283	38,666
15	MATERIALS AND SUPPLIES*	5,262	12,674	13,939	11,309	8,948
16	PREPAYMENTS	7,369	8,798	9,649	8,569	7,735
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	211,660	235,259	149,008	120,846	113,072
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	5,364	5,576	5,788	6,001	6,213
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	2,034	4,898	2,895	2,566	2,139
23	TOTAL DEFERRED DEBITS	7,398	10,474	8,683	8,567	8,352
24	TOTAL ASSETS AND OTHER DEBITS	1,055,439	$ 1,120,601	$ 1,003,870	$ 992,259	$ 929,178
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 19,900	$ 19,900	$ 19,900	$ 19,900	$ 19,900
26	PREFERRED CAPITAL STOCK	40,000	40,000	40,000	40,000	40,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	500	500	500	500	500
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	248,238	243,950	216,764	199,315	189,293
34	TOTAL PROPRIETARY CAPITAL	308,638	304,350	277,164	259,715	249,693
35	BONDS(LESS BONDS REACQUIRED)	-	-	-	-	-
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	567,346	577,551	587,205	596,374	604,850
38	TOTAL LONG-TERM DEBT	567,346	577,551	587,205	596,374	604,850
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	1,928-	17,625	15,840	14,384	7,747
40	OTHER NOTES AND ACCOUNTS PAYABLE	47,248	82,657	4,327	3,017	7,463
41	CUSTOMERS'DEPOSITS	880	1,715	1,520	1,030	970
42	ADVANCE BILLING AND PAYMENTS	294	322	245	239	142
43	TAXES ACCRUED	17,963-	7,713	8,190	21,603	217-
44	OTHER CURRENT AND ACCRUED LIABILITIES	14,371	14,792	8,932	7,914	9,437
45	TOTAL CURRENT AND ACCRUED LIABILITIES	42,902	124,824	39,054	48,187	25,542
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM DEFERRED INVESTMENT TAX CREDITS	41,625	39,059	35,817	36,159	26,095
48	OTHER DEFERRED CREDITS	49	49	-	-	-
49	TOTAL DEFERRED CREDITS	41,674	39,108	35,817	36,159	26,095
50	OPERATING RESERVES	2,528	3,331	7,200	6,400	6,400
51	ACCUMULATED DEFERRED INCOME TAXES	92,351	71,437	57,430	45,424	16,598
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,055,439	$ 1,120,601	$ 1,003,870	$ 992,259	$ 929,178
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	3.05	2.89	2.82	3.00	3.84
54	CURRENT ASSETS/CURRENT LIABILITIES	4.93	1.88	3.82	2.51	4.43
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	64.7	65.4	67.9	69.6	70.7
56	PREFERRED STOCK	4.5	4.5	4.6	4.6	4.6
57	COMMON STOCK+OTHER PAID-IN CAPITAL	2.3	2.3	2.3	2.3	2.3
58	RETAINED EARNINGS	28.3	27.6	25.0	23.2	22.1
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	41.1	42.0	45.7	47.6	51.2
60	PERCENT OF NET TELEPHONE PLANT	68.8	66.9	70.4	69.9	75.7
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	40.2	37.1	35.1	31.8	32.3

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CLYMER TELEPHONE COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 450,750	$ 480,395	$ 449,091	$ 405,155	$ 296,788	1
OPERATION AND MAINTENANCE EXPENSE	228,333	227,918	231,687	184,862	156,814	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	63,128	60,398	59,009	56,701	52,749	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	36,785	49,841	46,517	33,865	31,461	6
INCOME TAXES-OPERATING	4,315	20,463	23,432	26,934	3,956	7
OPERATING INCOME TAXES DEFERRED	26,133	19,612	19,232	17,546	4,294	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	5,219-	5,605-	7,226-	948	915-	9
TOTAL OPERATING EXPENSES	353,475	372,627	372,651	320,856	248,359	10
TOTAL TELEPHONE OPERATING INCOME	97,275	87,768	76,440	84,299	48,429	11
OTHER INCOME						
DIVIDEND INCOME	923	858	788	637	4,042	12
INTEREST INCOME	6,610	6,910	3,881	5,044	8,958	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	1	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	1,457	693-	2,602-	58	38-	17
TOTAL OTHER INCOME	8,990	7,076	2,067	5,739	12,962	18
TOTAL INCOME	106,265	94,844	78,507	90,038	61,391	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	11	23	-	-	-	20
INCOME TAXES-NONOPERATING	1,921	1,145	1,754	7,064	4,096	21
MISCELLANEOUS INCOME CHARGES	147	161	68	85	18	22
TOTAL INCOME DEDUCTIONS	2,079	1,329	1,822	7,149	4,114	23
INCOME BEFORE INTEREST CHARGES	104,186	93,515	76,685	82,889	57,277	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	31,149	31,707	32,194	32,701	32,504	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	212	212	212	212	212	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	466	169	148	157	158	29
TOTAL INTEREST CHARGES	31,827	32,088	32,554	33,070	32,874	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	72,359	61,427	44,131	49,819	24,403	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	10,332-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	10,332-	-	35
NET INCOME	$ 72,359	$ 61,427	$ 44,131	$ 39,487	$ 24,403	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 243,950	$ 216,763	$ 199,315	$ 189,294	$ 178,978	37
BALANCE TRANSFERRED FROM INCOME	72,360	61,427	44,131	39,487	24,403	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	2,800	2,798	2,802	2,800	3,033	42
-COMMON STOCK	65,272	31,442	23,880	26,666	9,055	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	248,238	243,950	216,764	199,315	189,293	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 248,238	$ 243,950	$ 216,764	$ 199,315	$ 189,293	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	50.6	49.5	51.5	45.6	52.8	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	14.0	13.1	13.1	13.9	17.7	49
TOTAL INCOME TAXES-OPERATING	5.6	7.5	7.9	11.2	2.5	50
OTHER TAXES-OPERATING	8.1	10.8	10.3	8.3	10.6	51
TOTAL OPERATING EXPENSES	78.4	80.9	82.9	79.1	83.6	52
OPERATING INCOME	21.5	19.0	17.0	20.8	16.3	53
DEPR. AND AMORT % OF TELEPHONE PLANT	4.5	4.3	4.5	4.5	4.4	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	7.1	7.0	7.2	8.2	11.1	55
PRETAX INTEREST COVERAGE	4.0	3.9	3.5	4.1	2.1	56
NET INCOME-PERCENT OF OPERATING REVENUES	16.0	13.3	9.8	9.7	8.2	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.6	0.6	0.6	0.6	1.0	58
TIMES EARNED	25.8	22.0	15.7	14.1	8.0	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	14.4	6.8	5.3	6.5	3.0	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	93.8	53.6	57.7	72.6	42.3	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	26.1	23.3	18.0	17.0	10.4	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	24.4	12.5	10.4	12.4	4.4	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CLYMER TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 72,380	$ 61,427	$ 44,131	$ 49,820	$ 24,407
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	63,340	60,610	60,496	56,913	53,943
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	23,460	17,249	11,664	38,890	13,197
4	INTEREST CAPITALIZED	-	1-	-	-	-
5	OTHER (NET):	4,187	3,134	-	1,035	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	163,367	142,419	116,291	146,658	91,547
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	10,332-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	163,367	142,419	116,291	136,326	91,547
10	LESS DIVIDENDS: PREFERRED	2,800	2,799	2,802	2,800	3,033
11	COMMON	65,272	31,442	23,880	26,646	9,055
12	NET FUNDS FROM INTERNAL SOURCES	95,295	108,178	89,609	106,880	79,459
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	28,624
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	28,624
20	OTHER SOURCES (NET)	695-	140	5,595	28,960	6,586
21						
22						
23	TOTAL FUNDS PROVIDED	$ 94,600	$ 108,318	$ 95,204	$ 135,840	$ 114,669
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 28,133	$ 93,495	$ 46,409	$ 127,364	$ 106,821
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	28,133	93,495	46,409	127,364	106,821
28	LESS INTEREST CAPITALIZED	-	1	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	28,133	93,494	46,409	127,364	106,821
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	10,205	9,654	9,169	8,476	7,848
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	10,205	9,654	9,169	8,476	7,848
37	OTHER USES (NET)	56,262	5,170	39,626	-	-
38						
39						
40	TOTAL FUNDS APPLIED	$ 94,600	$ 108,318	$ 95,204	$ 135,840	$ 114,669

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT.

YEARS ENDING DECEMBER 31

CLYMER TELEPHONE COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 132,445	$ 130,752	$ 124,900	$ 116,894	$ 116,031	1
ACCESS REVENUES	201,296					2
TOLL REVENUES	99,342	307,616	322,788	287,712	180,919	3
MISCELLANEOUS REVENUES	18,387	22,827	3,578	2,254	338	4
UNCOLLECTIBLE REVENUES-DR	720	800	2,175	1,705	500	5
TOTAL TELEPHONE OPERATING REVENUE	$ 450,750	$ 460,395	$ 449,091	$ 405,155	$ 296,788	6
TELEPHONE ACCESS LINES IN SERVICE	881	842	828	823	811	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 153.74	$ 156.59	$ 151.30	$ 143.08	$ 145.68	8
ACCESS REVENUE	233.66					9
TOLL REVENUE	115.31	368.40	391.02	352.16	227.14	10

*YEAR END AVERAGE

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 62,336	$ 58,605	$ 73,548	$ 62,044	$ 46,487	11
DEPRECIATION + AMORTIZATION EXPENSES	63,128	60,398	59,009	56,701	52,749	12
TRAFFIC EXPENSES	15,019	9,889	5,300	4,097	7,378	13
COMMERCIAL EXPENSES	45,014	51,944	48,522	40,792	35,584	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	88,139	84,572	71,751	59,188	43,793	16
OTHER OPERATING EXPENSES	17,825	22,908	32,568	18,741	23,572	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 291,461	$ 288,316	$ 290,698	$ 241,563	$ 209,563	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 1,370,368	$ 1,346,154	$ 1,276,724	$ 1,251,362	$ 1,179,392	19
PLANT UNDER CONSTRUCTION	8,383	27,488	7,987	-	1,327	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	1,378,751	1,373,642	1,284,711	1,251,362	1,180,719	24
ACCUMULATED PROVISION FOR DEPR+AMORT	554,335	510,371	451,263	399,045	382,257	25
NET TELEPHONE PLANT	$ 824,416	$ 863,271	$ 833,448	$ 852,317	$ 798,462	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,346,154	$ 1,276,724	$ 1,251,362	$ 1,179,392	$ 1,091,205	27
ADDITIONS	46,842	73,993	38,422	128,091	111,945	28
RETIREMENTS	22,628	4,563	13,060	56,121	23,758	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 1,370,368	$ 1,346,154	$ 1,276,724	$ 1,251,362	$ 1,179,392	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CLYMER TELEPHONE COMPANY, INC.

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 450,750	$ 480,395	$ 449,091	$ 405,155	$ 296,788
2	ACCESS LINES (AVERAGE*)	862	835	826	817	797
	DOLLAR AMOUNTS					
3	WAGES AND BENEFITS	$ 45,258	$ 58,562	$ 60,818	$ 53,093	$ 50,868
4	OTHER OPERATION AND MAINTENANCE EXPENSES	183,075	171,356	170,871	131,769	105,946
5	DEPRECIATION AND AMORTIZATION EXPENSES	63,128	60,398	59,009	56,701	52,749
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	25,229	34,470	35,438	45,428	7,335
8	OTHER TAXES - OPERATING	36,785	49,841	46,517	33,865	31,461
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	31,827	32,088	32,554	33,070	32,874
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	2,800	2,798	2,802	2,800	3,033
11	EARNINGS AVAILABLE FOR COMMON EQUITY	62,643	52,682	41,084	48,429	12,522
12	TOTAL	$ 450,750	$ 480,395	$ 449,091	$ 405,155	$ 296,788
	PERCENT OF REVENUES					
13	WAGES AND BENEFITS	10.0	12.3	13.5	13.1	17.1
14	OTHER OPERATION AND MAINTENANCE EXPENSES	40.6	37.2	38.0	32.5	35.7
15	DEPRECIATION AND AMORTIZATION EXPENSES	14.0	13.1	13.1	14.0	17.8
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	5.6	7.5	7.9	11.2	2.5
18	OTHER TAXES - OPERATING	8.2	10.8	10.4	8.4	10.6
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.1	7.0	7.2	8.2	11.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.6	0.6	0.7	1.0
21	EARNINGS AVAILABLE FOR COMMON EQUITY	13.9	11.5	9.1	12.0	4.2
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER AVERAGE ACCESS LINE PER MONTH					
23	WAGES AND BENEFITS	$ 4.38	$ 5.64	$ 6.14	$ 5.42	$ 5.32
24	OTHER OPERATION AND MAINTENANCE EXPENSES	17.71	17.10	17.25	13.44	11.08
25	DEPRECIATION AND AMORTIZATION EXPENSES	6.11	6.03	5.96	5.78	5.52
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.44	3.44	3.58	4.63	0.77
28	OTHER TAXES - OPERATING	3.56	4.97	4.70	3.45	3.29
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.08	3.20	3.29	3.37	3.44
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.27	0.28	0.28	0.29	0.32
31	EARNINGS AVAILABLE FOR COMMON EQUITY	6.06	5.26	4.15	4.94	1.31
32	TOTAL	$ 43.60	$ 45.95	$ 45.34	$ 41.33	$ 31.05

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CONTINENTAL TELEPHONE COMPANY OF NEW YORK, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
			ASSETS AND OTHER DEBITS			
1	TELEPHONE PLANT	$ 363,285,097	$ 343,011,267	$ 327,175,281	-	-
2	ACCUMULATED PROVISION FOR DEPR+AMORT	113,198,993	107,766,676	101,366,529	-	-
3	NET TELEPHONE PLANT	250,086,104	235,244,591	225,808,752	-	-
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	226,157	85,330	90,648	-	-
7	OTHER INVESTMENTS AND FUNDS	215,900	215,900	215,900	-	-
8	TOTAL INVESTMENTS AND FUNDS	442,057	301,230	306,548	-	-
9	CASH AND WORKING FUNDS	9,233,205	4,482,386	3,430,689	-	-
10	SPECIAL CASH DEPOSITS	777,500	313,300	22,951	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	242,272	247,020	179,274	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	17,765,196	12,180,686	8,690,737	-	-
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	17,850,344	14,047,969	13,028,931	-	-
15	MATERIALS AND SUPPLIES*	1,746,834	3,656,872	2,275,135	-	-
16	PREPAYMENTS	2,093,279	2,166,656	2,152,476	-	-
17	OTHER CURRENT AND ACCRUED ASSETS	2,868,097	1,000,920	539,597	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	52,576,727	38,074,797	30,317,790	-	-
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	1,906,928	1,911,247	1,851,085	-	-
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	404,801	315,307	106,793	-	-
23	TOTAL DEFERRED DEBITS	2,311,729	2,226,554	1,957,878	-	-
24	TOTAL ASSETS AND OTHER DEBITS	305,416,617	$ 275,847,172	$ 258,390,968	-	-
			LIABILITIES AND OTHER CREDITS			
25	COMMON CAPITAL STOCK	$ 37,000,000	$ 37,000,000	$ 37,000,000	-	-
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	1,736,960	1,736,960	1,736,960	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	25,267,932	25,267,932	25,267,932	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	34,583,879	31,218,824	32,662,817	-	-
34	TOTAL PROPRIETARY CAPITAL	98,588,771	95,223,716	96,667,709	-	-
35	BONDS(LESS BONDS REACQUIRED)	96,273,387	100,015,124	87,049,275	-	-
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	15,000,000	-	-	-	-
38	TOTAL LONG-TERM DEBT	111,273,387	100,015,124	87,049,275	-	-
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	1,255,974	2,521,711	2,595,998	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	24,778,109	15,067,890	18,349,200	-	-
41	CUSTOMERS' DEPOSITS	348,308	770,501	761,456	-	-
42	ADVANCE BILLING AND PAYMENTS	7,653,813	6,668,199	3,820,447	-	-
43	TAXES ACCRUED	2,805,771	4,142,011	1,737,938	-	-
44	OTHER CURRENT AND ACCRUED LIABILITIES	8,344,073	8,240,305	8,784,807	-	-
45	TOTAL CURRENT AND ACCRUED LIABILITIES	45,186,048	37,410,617	36,049,846	-	-
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	15,684,730	14,298,953	12,682,891	-	-
48	OTHER DEFERRED CREDITS	2,184,443	2,142,093	2,139,975	-	-
49	TOTAL DEFERRED CREDITS	17,869,173	16,441,046	14,822,866	-	-
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	32,499,238	26,756,669	23,801,272	-	-
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 305,416,617	$ 275,847,172	$ 258,390,968	-	-
			SELECTED BALANCE SHEET RELATIONSHIPS			
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.51	2.80	2.73	-	-
54	CURRENT ASSETS/CURRENT LIABILITIES	1.16	1.02	0.84	-	-
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	53.0	51.2	47.3	-	-
56	PREFERRED STOCK	-	-	-	-	-
57	COMMON STOCK+OTHER PAID-IN CAPITAL	30.4	32.7	34.8	-	-
58	RETAINED EARNINGS	16.4	15.9	17.7	-	-
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	30.6	29.1	26.6	-	-
60	PERCENT OF NET TELEPHONE PLANT	44.4	42.5	38.5	-	-
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	31.1	31.4	30.9	-	-

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CONTINENTAL TELEPHONE COMPANY OF NEW YORK, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 140,889,280	$ 129,083,932	$ 117,176,227	-	-	1
OPERATION AND MAINTENANCE EXPENSE	66,951,172	61,773,859	56,587,500	-	-	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	20,591,643	21,593,944	20,831,371	-	-	4
AMORTIZATION	170,345	170,346	170,346	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	13,118,980	15,489,384	14,674,375	-	-	6
INCOME TAXES-OPERATING	8,012,276	6,087,864	3,726,872	-	-	7
OPERATING INCOME TAXES DEFERRED	6,041,463	4,128,987	3,108,030	-	-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	29,042-	59,044-	89,232-	-	-	9
TOTAL OPERATING EXPENSES	114,854,837	109,183,139	99,107,261	-	-	10
TOTAL TELEPHONE OPERATING INCOME	26,034,443	19,900,793	18,068,966	-	-	11
OTHER INCOME						
DIVIDEND INCOME	170	160	140	-	-	12
INTEREST INCOME	281,252	427,538	219,218	-	-	13
ALLOWANCE FOR CONSTRUCTION FUNDS	582,014	557,714	586,347	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	18,641-	7,299-	1,588-	-	-	16
MISCELLANEOUS INCOME	3,313,338-	251,970	110,200	-	-	17
TOTAL OTHER INCOME	2,458,541-	1,230,083	914,319	-	-	18
TOTAL INCOME	23,575,902	21,130,876	18,983,285	-	-	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	285,744	217,272	304,357	-	-	20
INCOME TAXES-NONOPERATING	1,636,626-	10,621	84,554-	-	-	21
MISCELLANEOUS INCOME CHARGES	231,271	74,627	86,153	-	-	22
TOTAL INCOME DEDUCTIONS	1,119,611-	302,520	305,956	-	-	23
INCOME BEFORE INTEREST CHARGES	24,695,513	20,828,356	18,677,329	-	-	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	8,234,801	7,729,796	7,030,827	-	-	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	129,011	119,728	113,307	-	-	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	428,118	903,242	472,304	-	-	29
TOTAL INTEREST CHARGES	8,791,930	8,752,766	7,616,438	-	-	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	15,903,583	12,075,591	11,060,891	-	-	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	1,320	2,692	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	71,346-	37,586-	338-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	32,818-	16,682-	1,084	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	38,528-	19,584-	1,270	-	-	35
NET INCOME	$ 15,865,055	$ 12,056,007	$ 11,062,161	-	-	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 31,218,824	$ 32,662,817	$ 32,633,772	-	-	37
BALANCE TRANSFERRED FROM INCOME	15,865,055	12,056,007	11,062,161	-	-	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	33,116	-	-	42
-COMMON STOCK	12,500,000	13,500,000	11,000,000	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	34,583,879	31,218,824	32,662,817	-	-	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 34,583,879	$ 31,218,824	$ 32,662,817	-	-	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	47.5	47.8	48.2	-	-	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	14.7	16.8	18.0	-	-	49
TOTAL INCOME TAXES-OPERATING	10.0	7.9	5.8	-	-	50
OTHER TAXES-OPERATING	9.3	12.0	12.5	-	-	51
TOTAL OPERATING EXPENSES	81.5	84.5	84.5	-	-	52
OPERATING INCOME	18.4	15.4	15.4	-	-	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.7	6.3	6.4	-	-	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	6.2	6.8	6.5	-	-	55
PRETAX INTEREST COVERAGE	4.2	3.5	3.3	-	-	56
NET INCOME-PERCENT OF OPERATING REVENUES	11.2	9.3	9.4	-	-	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	58
TIMES EARNED	-	-	-	-	-	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	8.8	10.4	9.3	-	-	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	78.7	111.9	99.7	-	-	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	16.3	12.5	11.4	-	-	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	12.8	14.0	11.4	-	-	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CONTINENTAL TELEPHONE COMPANY OF NEW YORK, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 15,903,583	$ 12,075,598	$ 11,060,891	-	-
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	21,056,299	21,884,508	21,208,010	-	-
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	7,310,195	5,373,430	4,600,178	-	-
4	INTEREST CAPITALIZED	582,014-	557,714-	586,347-	-	-
5	OTHER (NET)	2,982,239	2,352,742	1,443,257	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	46,670,302	41,128,564	37,725,989	-	-
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	38,528-	19,584-	1,270	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	46,631,774	41,108,980	37,727,259	-	-
10	LESS DIVIDENDS: PREFERRED	-	-	33,116	-	-
11	COMMON	12,500,000	13,500,000	11,000,000	-	-
12	NET FUNDS FROM INTERNAL SOURCES	34,131,774	27,608,980	26,694,143	-	-
	EXTERNAL SOURCES					
13	LONG TERM DEBT	15,000,000	15,000,000	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	9,800,000	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	15,000,000	15,000,000	9,800,000	-	-
20	OTHER SOURCES (NET)	-	2,617,932	630,955	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 49,131,774	$ 45,226,912	$ 37,125,098	-	-
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 38,751,040	$ 33,600,758	$ 34,030,826	-	-
25	NON-UTILITY PLANT	147,934	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	38,898,974	33,600,758	34,030,826	-	-
28	LESS INTEREST CAPITALIZED	582,014	557,714	586,347	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	38,316,960	33,043,044	33,444,479	-	-
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	3,741,767	2,034,151	2,117,323	-	-
31	PREFERRED STOCK	-	-	1,330,650	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	6,000,000	9,000,000	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	9,741,767	11,034,151	3,447,973	-	-
37	OTHER USES (NET)	1,073,047	1,149,717	232,646	-	-
38						
39						
40	TOTAL FUNDS APPLIED	$ 49,131,774	$ 45,226,912	$ 37,125,098	-	-

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

CONTINENTAL TELEPHONE COMPANY OF NEW YORK, INC

TELEPHONE OPERATING REVENUES

ITEM		1985		1984		1983	1982	1981	LINE NO
OPERATING REVENUES									
LOCAL REVENUES	$	48,122,699	$	45,178,289	$	41,162,036			1
ACCESS REVENUES		85,159,412							2
TOLL REVENUES		778,758		79,944,050		72,502,954	-	-	3
MISCELLANEOUS REVENUES		7,240,340		4,812,167		4,285,590	-	-	4
UNCOLLECTIBLE REVENUES-DR		411,929		870,574		774,353	-	-	5
TOTAL TELEPHONE OPERATING REVENUE	$	140,889,280	$	129,063,032	$	117,176,227	-	-	6
TELEPHONE ACCESS LINES IN SERVICE		210,998		204,617		199,848			7
TELEPHONE OPERATING REVENUE RELATIONSHIPS									
REVENUE PER AVERAGE ACCESS LINE*									
LOCAL REVENUE		$ 231.57		$ 223.40					8
ACCESS REVENUE		409.80							9
TOLL REVENUE		3.75		395.31					10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM		1985		1984		1983	1982	1981	LINE NO
OPERATION AND MAINTENANCE EXPENSES									
MAINTENANCE EXPENSES	$	29,291,858	$	27,635,413	$	25,557,118	-	-	11
DEPRECIATION + AMORTIZATION EXPENSES		20,761,988		21,764,289		21,101,716	-	-	12
TRAFFIC EXPENSES		6,974,345		7,220,270		6,508,838	-	-	13
COMMERCIAL EXPENSES		8,048,305		7,173,798		6,997,274	-	-	14
ACCESS EXPENSES		-		-		-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		10,832,196		9,859,290		8,430,870	-	-	16
OTHER OPERATING EXPENSES		11,803,468		9,884,890		9,093,400	-	-	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	87,713,160	$	83,537,948	$	77,689,216	-	-	18

TELEPHONE UTILITY PLANT

ITEM		1985		1984		1983	1982	1981	LINE NO
TELEPHONE UTILITY PLANT									
PLANT IN SERVICE	$	353,620,942	$	335,195,525	$	322,142,932		-	19
PLANT UNDER CONSTRUCTION		8,573,833		6,554,576		3,600,339		-	20
PROPERTY HELD FOR FUTURE USE		-		-				-	21
PLANT ACQUISITION ADJUSTMENTS		733,811		904,655		1,075,499	-	-	22
PLANT ADJUSTMENTS		356,511		356,511		356,511		-	23
TOTAL TELEPHONE UTILITY PLANT		363,285,097		343,011,267		327,175,281		-	24
ACCUMULATED PROVISION FOR DEPR+AMORT		113,198,993		107,766,676		101,366,529		-	25
NET TELEPHONE PLANT	$	250,086,104	$	235,244,591	$	225,808,752		-	26
PLANT IN SERVICE BEGINNING OF YEAR	$	335,195,525	$	322,142,932	$	306,173,081		-	27
ADDITIONS		36,887,946		30,646,521		34,270,647		-	28
RETIREMENTS		18,462,529		17,593,928		18,300,791		-	29
TRANSFERS AND ADJUSTMENTS		-		-		-		-	30
PLANT IN SERVICE END OF YEAR	$	353,620,942	$	335,195,525	$	322,142,932		-	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CONTINENTAL TELEPHONE COMPANY OF NEW YORK, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 140,889,280	$ 129,083,932	$ 117,176,227	-	-
2	ACCESS LINES (AVERAGE*)	207,808	202,233	-	-	-
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 34,560,546	$ 35,621,999	$ 33,926,198	-	-
4	OTHER OPERATION AND MAINTENANCE EXPENSES	32,390,626	26,151,680	22,661,302	-	-
5	DEPRECIATION AND AMORTIZATION EXPENSES	20,761,988	21,764,289	21,101,716	-	-
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	14,024,697	10,135,807	6,743,670	-	-
8	OTHER TAXES - OPERATING	13,116,980	15,489,384	14,674,375	-	-
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8,603,939	8,524,660	7,380,727	-	-
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	33,116	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	17,430,504	11,376,133	10,655,123	-	-
12	TOTAL	$ 140,889,280	$ 129,083,932	$ 117,176,227	-	-
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	24.5	27.6	29.0	-	-
14	OTHER OPERATION AND MAINTENANCE EXPENSES	23.0	20.3	19.3	-	-
15	DEPRECIATION AND AMORTIZATION EXPENSES	14.7	16.9	18.0	-	-
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	10.0	7.9	5.8	-	-
18	OTHER TAXES - OPERATING	9.3	12.0	12.5	-	-
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	6.1	6.6	6.3	-	-
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	12.4	8.8	9.1	-	-
22	TOTAL	100.0	100.0	100.0	-	-
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 13.86	$ 14.68	-	-	-
24	OTHER OPERATION AND MAINTENANCE EXPENSES	12.99	10.78	-	-	-
25	DEPRECIATION AND AMORTIZATION EXPENSES	8.33	8.97	-	-	-
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	5.62	4.18	-	-	-
28	OTHER TAXES - OPERATING	5.26	6.38	-	-	-
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.45	3.51	-	-	-
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	6.99	4.69	-	-	-
32	TOTAL	$ 56.50	$ 53.18	-	-	-

* YEAR END AVERAGE

COMMUNICATIONS

213A

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CROWN POINT TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 1,535,802	$ 1,136,971	$ 1,118,316	$ 1,118,811	$ 998,135
2	ACCUMULATED PROVISION FOR DEPR+AMORT	532,158	457,704	389,535	316,019	282,184
3	NET TELEPHONE PLANT	1,003,644	679,267	728,781	802,792	715,951
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	8,000	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	8,000	-	-	-	-
9	CASH AND WORKING FUNDS	186,327	5,786	5,464	1,201	5,544
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	17,316	29,641	43,433	23,511	15,736
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	57,188	53,213	44,074	21,649	19,370
15	MATERIALS AND SUPPLIES*	23,778	30,771	21,725	5,573	10,598
16	PREPAYMENTS	13,674	12,946	11,551	10,237	8,410
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	2,596
18	TOTAL CURRENT AND ACCRUED ASSETS	298,283	132,356	126,247	62,171	62,254
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	11,342	11,616	11,891	5,773	6,047
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	415	1,386	143	7	-
23	TOTAL DEFERRED DEBITS	11,757	13,002	12,034	5,780	6,047
24	TOTAL ASSETS AND OTHER DEBITS	1,321,684	$ 824,625	$ 867,062	$ 870,743	$ 784,252
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 24,300	$ 24,300	$ 24,300	$ 24,300	$ 24,300
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	4,863	4,863	4,863	4,863	4,863
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	137,918	118,337	124,844	117,389	90,236
34	TOTAL PROPRIETARY CAPITAL	167,081	147,500	154,007	146,552	119,399
35	BONDS(LESS BONDS REACQUIRED)	891,521	566,838	509,615	522,916	535,748
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	9,243	19,243	29,243	39,243
38	TOTAL LONG-TERM DEBT	891,521	576,081	528,858	552,159	574,991
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	239,824	73,927	152,966	144,493	72,245
41	CUSTOMERS'DEPOSITS	3,251	2,113	2,672	3,084	3,336
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	5,257-	353	3,835	2,168	362
44	OTHER CURRENT AND ACCRUED LIABILITIES	11,631	13,370	13,381	11,905	8,789
45	TOTAL CURRENT AND ACCRUED LIABILITIES	249,449	89,763	172,854	161,650	84,732
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	3,241	3,571	3,901	4,231	3,976
48	OTHER DEFERRED CREDITS	-	-	-	-	
49	TOTAL DEFERRED CREDITS	3,241	3,571	3,901	4,231	3,976
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	10,392	7,710	7,442	6,151	1,154
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,321,684	$ 824,625	$ 867,062	$ 870,743	$ 784,252
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.50	2.28	2.42	2.59	2.86
54	CURRENT ASSETS/CURRENT LIABILITIES	1.20	1.47	0.73	0.38	0.73
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	84.2	79.6	77.4	79.0	82.8
56	PREFERRED STOCK	-	-	-	-	-
57	COMMON STOCK+OTHER PAID-IN CAPITAL	2.7	4.0	4.2	4.1	4.1
58	RETAINED EARNINGS	13.0	16.3	18.2	16.8	12.9
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	58.0	50.6	47.2	49.3	57.6
60	PERCENT OF NET TELEPHONE PLANT	88.8	84.8	72.5	68.7	80.3
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	34.6	40.2	34.8	28.2	28.2

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CROWN POINT TELEPHONE CORPORATION

ITEM		1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS							
TELEPHONE OPERATING INCOME							
OPERATING REVENUES	$	533,602 $	494,414 $	461,305 $	409,104 $	336,173	1
OPERATION AND MAINTENANCE EXPENSE		348,612	346,159	321,163	252,867	207,713	2
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	3
DEPRECIATION		63,425	63,431	62,879	37,913	35,731	4
AMORTIZATION		-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING		51,588	56,724	54,670	45,200	38,950	6
INCOME TAXES-OPERATING		-	-	330-	255	3,573	7
OPERATING INCOME TAXES DEFERRED		2,682	268	-	4,997	1,154	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING		-	-	-	-	-	9
TOTAL OPERATING EXPENSES		466,307	466,582	438,382	341,032	287,121	10
TOTAL TELEPHONE OPERATING INCOME		67,295	27,332	22,923	68,072	49,052	11
OTHER INCOME							
DIVIDEND INCOME		-	-	-	-	-	12
INTEREST INCOME		3	3	2	58	1	13
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS		-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY		-	-	-	-	-	16
MISCELLANEOUS INCOME		14,803-	1,770	5,785	662-	1,613	17
TOTAL OTHER INCOME		14,800-	1,773	5,787	604-	1,614	18
TOTAL INCOME		52,495	29,605	28,710	67,468	50,666	19
INCOME DEDUCTIONS							
TAXES OTHER THAN INC. TAXES-NONOPERATING		-	-	-	-	-	20
INCOME TAXES-NONOPERATING		-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES		-	-	-	-	-	22
TOTAL INCOME DEDUCTIONS		-	-	-	-	-	23
INCOME BEFORE INTEREST CHARGES		52,495	29,605	28,710	67,468	50,666	24
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		29,530	26,529	27,813	29,865	32,001	25
AMORT. OF DEBT DISCOUNT AND EXPENSE		274	274	274	274	274	26
AMORT. OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES		-	-	-	-	-	28
OTHER INTEREST EXPENSE		3,110	9,309	11,155	10,176	2,155	29
TOTAL INTEREST CHARGES		32,914	36,112	39,242	40,315	34,430	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS		19,581	6,507-	10,532-	27,153	16,236	31
EXTRAORDINARY/DELAYED ITEMS							
EXTRAORDINARY/DELAYED INCOME CREDITS		-	-	21,900	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES		-	-	2,622-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS		-	-	1,291	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT		-	-	17,987	-	-	35
NET INCOME	$	19,581 $	6,507-$	7,455 $	27,153 $	16,236	36
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$	118,337 $	124,844 $	117,389 $	90,236 $	74,396	37
BALANCE TRANSFERRED FROM INCOME		19,581	6,507-	7,455	27,153	16,236	38
MISCELLANEOUS CREDITS		-	-	-	-	-	39
MISCELLANEOUS DEBITS		-	-	-	-	396	40
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK		-	-	-	-	-	42
-COMMON STOCK		-	-	-	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR		137,918	118,337	124,844	117,389	90,236	44
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$	137,918 $	118,337 $	124,844 $	117,389 $	90,236	46
SELECTED INCOME ACCOUNT RELATIONSHIPS							
PERCENT OF TELEPHONE OPERATING REVENUES:							
OPERATION AND MAINTENANCE EXPENSE		65.3	70.0	69.6	61.7	61.7	47
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION		11.8	12.8	13.6	9.2	10.6	49
TOTAL INCOME TAXES-OPERATING		0.5	0.1	-	1.3	1.4	50
OTHER TAXES-OPERATING		9.6	11.4	11.8	11.0	11.5	51
TOTAL OPERATING EXPENSES		87.3	94.3	95.0	83.3	85.4	52
OPERATING INCOME		12.6	5.6	4.9	16.6	14.5	53
DEPR. AND AMORT. % OF TELEPHONE PLANT		4.1	5.5	5.6	3.3	3.5	54
INTEREST EXPENSE:							
PERCENT OF OPERATING REVENUES		6.2	7.3	8.5	9.9	10.2	55
PRETAX INTEREST COVERAGE		1.7	0.8	0.7	1.8	1.5	56
NET INCOME-PERCENT OF OPERATING REVENUES		3.6	-	1.6	6.6	4.8	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK							
PERCENT OF OPERATING REVENUES		-	-	-	-	-	58
TIMES EARNED		-	-	-	-	-	59
DIVIDEND APPROPRIATIONS, COMMON STOCK							
PERCENT OF OPERATING REVENUES		-	-	-	-	-	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK		-	-	-	-	-	61
PERCENT OF AVERAGE COMMON EQUITY:							
EARNINGS AVAILABLE FOR COMMON STOCK		12.4	-	4.9	20.4	14.5	62
DIVIDEND APPROPRIATIONS, COMMON STOCK		-	-	-	-	-	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CROWN POINT TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 19,581	$ 5,507-	$ 10,532-	$ 27,153	$ 16,236
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	76,482	76,777	76,385	55,109	54,454
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	2,352	62-	961	5,252	4,727
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET):	-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	98,415	70,208	66,814	87,514	75,417
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	17,987	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	98,415	70,208	84,801	87,514	75,417
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	98,415	70,208	84,801	87,514	75,417
	EXTERNAL SOURCES					
13	LONG TERM DEBT	339,000	71,000	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	26,000	-	-	71,000	19,500
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	365,000	71,000	-	71,000	19,500
20	OTHER SOURCES (NET):	552	227	-	9,869	10,654
21						
22						
23	TOTAL FUNDS PROVIDED	$ 463,967	$ 141,435	$ 84,801	$ 168,383	$ 105,571
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 400,761	$ 26,785	$ 1,997	$ 141,561	$ 76,349
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	400,761	26,785	1,997	141,561	76,349
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	400,761	26,785	1,997	141,561	76,349
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	23,560	23,777	23,300	22,832	12,401
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK		-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	75,500	4,000	-	12,806
34	OTHER (NET):	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	23,560	99,277	27,300	22,832	25,207
37	OTHER USES (NET):	39,646	15,373	55,504	3,990	4,015
38						
39						
40	TOTAL FUNDS APPLIED	$ 463,967	$ 141,435	$ 84,801	$ 168,383	$ 105,571

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT.

YEARS ENDING DECEMBER 31

CROWN POINT TELEPHONE CORPORATION

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	120,964 $	101,782 $	97,517 $	97,397 $	98,124	1
ACCESS REVENUES		143,055					2
TOLL REVENUES		239,005	388,484	362,444	314,032	239,077	3
MISCELLANEOUS REVENUES		33,219	6,687	3,128	1,996	1,280	4
UNCOLLECTIBLE REVENUES-DR		2,641	2,539	1,784	4,321	2,308	5
TOTAL TELEPHONE OPERATING REVENUE	$	533,602 $	494,414 $	461,305 $	409,104 $	336,173	6
TELEPHONE ACCESS LINES IN SERVICE		726	701	680	687	670	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 169.54	$ 147.40	$ 142.67	$ 143.55	$ 142.93	8
ACCESS REVENUE		200.50					9
TOLL REVENUE		334.98	562.61	530.28	462.83	348.25	10
*YEAR END AVERAGE							
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	73,077 $	85,014 $	90,097 $	67,153 $	71,439	11
DEPRECIATION + AMORTIZATION EXPENSES		63,425	63,431	62,879	37,913	35,731	12
TRAFFIC EXPENSES		11,365	11,610	2,689	3,075	2,769	13
COMMERCIAL EXPENSES		29,326	28,455	19,949	14,256	13,590	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		162,925	149,278	138,179	107,255	85,553	16
OTHER OPERATING EXPENSES		71,919	71,802	70,269	60,928	34,362	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	412,037 $	409,590 $	384,042 $	290,580 $	243,444	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	1,156,433 $	1,116,060 $	1,108,044 $	1,109,211 $	998,135	19
PLANT UNDER CONSTRUCTION		379,369	20,911	10,272	9,600	-	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		1,535,802	1,136,971	1,118,316	1,118,811	998,135	24
ACCUMULATED PROVISION FOR DEPR+AMORT		532,158	457,704	389,535	316,019	282,184	25
NET TELEPHONE PLANT	$	1,003,644 $	679,267 $	728,781 $	802,792 $	715,951	26
PLANT IN SERVICE BEGINNING OF YEAR	$	1,116,060 $	1,108,044 $	1,109,211 $	998,135 $	921,936	27
ADDITIONS		42,303	16,146	1,325	131,961	76,349	28
RETIREMENTS		1,930	8,130	2,492	20,885	150	29
TRANSFERS AND ADJUSTMENTS		-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$	1,156,433 $	1,116,060 $	1,108,044 $	1,109,211 $	998,135	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CROWN POINT TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 533,602	$ 494,414	$ 461,305	$ 409,104	$ 336,173
2	ACCESS LINES (AVERAGE*)	714	691	684	679	687
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 178,798	$ 187,881	$ 172,705	$ 134,291	$ 88,403
4	OTHER OPERATION AND MAINTENANCE EXPENSES	169,814	158,278	148,458	118,376	119,310
5	DEPRECIATION AND AMORTIZATION EXPENSES	63,425	63,431	62,879	37,913	35,731
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	2,682	268	330-	5,252	4,727
8	OTHER TAXES - OPERATING	51,588	56,724	54,670	45,200	38,950
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	32,914	36,112	39,242	40,315	34,430
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	34,381	8,280-	16,319-	27,757	14,622
12	TOTAL	$ 533,602	$ 494,414	$ 461,305	$ 409,104	$ 336,173
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	33.5	38.0	37.4	32.8	26.3
14	OTHER OPERATION AND MAINTENANCE EXPENSES	31.8	32.0	32.2	28.9	35.5
15	DEPRECIATION AND AMORTIZATION EXPENSES	11.9	12.8	13.6	9.3	10.6
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	0.5	0.1	-	1.3	1.4
18	OTHER TAXES - OPERATING	9.7	11.5	11.9	11.0	11.6
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	6.2	7.3	8.5	9.9	10.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	6.4	1.6-	3.4-	6.8	4.3
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 20.88	$ 22.67	$ 21.06	$ 16.49	$ 10.73
24	OTHER OPERATION AND MAINTENANCE EXPENSES	19.83	19.10	18.10	14.54	14.48
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.41	7.66	7.67	4.66	4.34
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	0.31	0.03	0.03-	0.65	0.57
28	OTHER TAXES - OPERATING	6.03	6.85	6.67	5.55	4.73
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.84	4.36	4.78	4.95	4.18
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	4.02	0.99-	1.98-	3.41	1.77
32	TOTAL	$ 62.32	$ 59.67	$ 56.24	$ 50.25	$ 40.81

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

DELHI TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 5,779,501	$ 5,471,331	$ 5,298,800	$ 5,075,795	$ 4,879,709
2	ACCUMULATED PROVISION FOR DEPR+AMORT	2,199,232	1,832,945	1,496,133	1,122,356	789,183
3	NET TELEPHONE PLANT	3,580,269	3,638,386	3,802,667	3,953,439	4,090,526
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	334,626	310,194	293,317	127,500	127,500
8	TOTAL INVESTMENTS AND FUNDS	334,626	310,194	293,317	127,500	127,500
9	CASH AND WORKING FUNDS	161,206	107,741	91,792	128,340	56,119
10	SPECIAL CASH DEPOSITS	31,591	35,271	33,694	82,808	65,340
11	TEMPORARY CASH INVESTMENTS	830,870	634,072	400,000	400,000	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	299,666	237,629	163,613	70,961	289,890
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	242,878	237,085	206,107	195,732	196,227
15	MATERIALS AND SUPPLIES*	69,992	68,079	52,911	42,985	56,759
16	PREPAYMENTS	40,262	120,215	122,742	85,570	35,394
17	OTHER CURRENT AND ACCRUED ASSETS	50,031	43,421	37,057	31,074	26,339
18	TOTAL CURRENT AND ACCRUED ASSETS	1,726,492	1,480,523	1,106,916	1,017,370	726,068
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	22,156	23,367	24,579	25,791	22,263
20	*EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	3,041	49,980	8,392	3,656	5,959
23	TOTAL DEFERRED DEBITS	25,197	73,347	32,971	29,447	28,222
24	TOTAL ASSETS AND OTHER DEBITS	5,666,584 $	5,502,450 $	5,236,871 $	5,127,756 $	4,972,316
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 110,000	$ 110,000	$ 110,000	$ 110,000	$ 110,000
26	PREFERRED CAPITAL STOCK	8,000	10,600	16,400	32,200	215,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	1,630,368	1,460,747	1,407,778	1,323,064	1,198,536
34	TOTAL PROPRIETARY CAPITAL	1,748,368	1,581,347	1,534,178	1,465,264	1,523,536
35	BONDS(LESS BONDS REACQUIRED)	2,666,528	2,720,680	2,665,340	2,672,536	2,507,106
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	2,666,528	2,720,680	2,665,340	2,672,536	2,507,106
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	223,432	137,827	122,545	201,009	229,703
41	CUSTOMERS' DEPOSITS	1,050	22,300	21,350	18,650	23,750
42	ADVANCE BILLING AND PAYMENTS	33,801	29,228	25,566	24,713	14,130
43	TAXES ACCRUED	6,808	57,680	13,651	2,784	12,052
44	OTHER CURRENT AND ACCRUED LIABILITIES	30,186	31,321	29,548	26,757	28,462
45	TOTAL CURRENT AND ACCRUED LIABILITIES	295,277	278,356	212,660	273,913	308,097
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	285,433	273,807	275,750	268,399	268,216
48	OTHER DEFERRED CREDITS	-	11,874	-	-	-
49	TOTAL DEFERRED CREDITS	285,433	285,681	275,750	268,399	268,216
50	OPERATING RESERVES	204,248	190,491	143,851	102,080	88,160
51	ACCUMULATED DEFERRED INCOME TAXES	466,733	445,895	404,092	345,564	277,141
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 5,666,584	$ 5,502,450	$ 5,236,871	$ 5,127,756	$ 4,972,316
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.51	2.57	2.71	2.58	2.55
54	CURRENT ASSETS/CURRENT LIABILITIES	5.85	5.32	5.21	3.71	2.36
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	60.3	63.2	63.4	64.5	62.2
56	PREFERRED STOCK	0.1	0.2	0.3	0.7	5.3
57	COMMON STOCK+OTHER PAID-IN CAPITAL	2.4	2.5	2.6	2.6	2.7
58	RETAINED EARNINGS	36.9	33.9	33.5	31.9	29.7
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	46.1	49.7	50.3	52.6	51.3
60	PERCENT OF NET TELEPHONE PLANT	74.4	74.7	70.0	67.6	61.2
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	38.0	33.5	28.2	22.1	16.1

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS
DELHI TELEPHONE COMPANY

ITEM		1985	1984	1983	1982	1981	LINE NO
			COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS				
TELEPHONE OPERATING INCOME							
OPERATING REVENUES	$	2,239,884 $	2,097,038 $	1,912,483 $	1,926,582 $	1,853,761	1
OPERATION AND MAINTENANCE EXPENSE		1,234,856	1,098,721	1,041,047	982,947	931,400	2
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	3
DEPRECIATION		393,103	414,218	358,276	314,415	263,618	4
AMORTIZATION		-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING		210,173	231,202	202,913	182,698	170,895	6
INCOME TAXES-OPERATING		38,522	41,816	7,906-	14,586	33,393	7
OPERATING INCOME TAXES DEFERRED		43,352	46,297	68,123	79,786	71,141	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING		22,504-	4,504-	9,595-	11,363-	10,685-	9
TOTAL OPERATING EXPENSES		1,895,502	1,827,750	1,652,858	1,563,069	1,459,762	10
TOTAL TELEPHONE OPERATING INCOME		344,382	269,288	259,625	363,513	393,999	11
OTHER INCOME							
DIVIDEND INCOME		-	-	-	-	-	12
INTEREST INCOME		91,465	74,936	48,818	31,512	5,866	13
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	-	-	30,072	14
INCOME FROM SINKING AND OTHER FUNDS		-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY		-	-	-	-	764-	16
MISCELLANEOUS INCOME		17,255-	1,334	6,984-	2,164	-	17
TOTAL OTHER INCOME		74,210	76,270	41,834	33,676	35,174	18
TOTAL INCOME		418,592	345,558	301,459	397,189	429,173	19
INCOME DEDUCTIONS							
TAXES OTHER THAN INC. TAXES-NONOPERATING		-	-	-	-	-	20
INCOME TAXES-NONOPERATING		-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES		3,763	654	1,316	3,243	1,465	22
TOTAL INCOME DEDUCTIONS		3,763	654	1,316	3,243	1,465	23
INCOME BEFORE INTEREST CHARGES		414,829	344,902	300,143	393,946	427,708	24
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		206,860	208,069	205,550	195,801	184,846	25
AMORT. OF DEBT DISCOUNT AND EXPENSE		1,212	1,212	1,212	1,212	738	26
AMORT. OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES		-	-	-	-	-	28
OTHER INTEREST EXPENSE		7,605	2,701	4,130	8,352	21,375	29
TOTAL INTEREST CHARGES		215,677	211,982	210,892	205,365	206,959	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS		199,152	132,920	89,251	188,581	220,749	31
EXTRAORDINARY/DELAYED ITEMS							
EXTRAORDINARY/DELAYED INCOME CREDITS		35,142	-	105,974	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES		-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS		8,536	-	54,739	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT		26,606	-	52,235	-	-	35
NET INCOME	$	225,758 $	132,920 $	141,486 $	188,581 $	220,749	36
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$	1,460,747 $	1,407,778 $	1,323,064 $	1,198,596 $	1,045,367	37
BALANCE TRANSFERRED FROM INCOME		225,758	132,920	141,486	188,581	220,749	38
MISCELLANEOUS CREDITS		-	-	-	-	-	39
MISCELLANEOUS DEBITS		-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK		898	751	1,332	9,168	15,050	42
-COMMON STOCK		55,440	79,200	55,440	54,945	52,470	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR		1,630,369	1,460,747	1,407,778	1,323,064	1,198,596	44
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$	1,630,369 $	1,460,747 $	1,407,778 $	1,323,064 $	1,198,596	46
			SELECTED INCOME ACCOUNT RELATIONSHIPS				
PERCENT OF TELEPHONE OPERATING REVENUES							
OPERATION AND MAINTENANCE EXPENSE		55.1	52.3	54.4	51.0	50.2	47
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION		17.5	19.7	18.7	16.3	14.2	49
TOTAL INCOME TAXES-OPERATING		2.8	4.0	2.6	4.3	5.1	50
OTHER TAXES-OPERATING		9.3	11.0	10.6	9.4	9.2	51
TOTAL OPERATING EXPENSES		84.6	87.1	86.4	81.1	78.7	52
OPERATING INCOME		15.3	12.8	13.5	18.8	21.2	53
DEPR. AND AMORT % OF TELEPHONE PLANT		6.8	7.5	6.7	6.1	5.4	54
INTEREST EXPENSE:							
PERCENT OF OPERATING REVENUES		9.6	10.1	11.0	10.7	11.2	55
PRETAX INTEREST COVERAGE		2.2	2.0	1.7	2.3	2.5	56
NET INCOME-PERCENT OF OPERATING REVENUES		10.0	6.3	7.3	9.7	11.9	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:							
PERCENT OF OPERATING REVENUES		-	-	-	0.4	0.8	58
TIMES EARNED		-	177.0	106.2	20.6	14.7	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:							
PERCENT OF OPERATING REVENUES		2.4	3.7	2.8	2.8	2.8	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK		24.6	59.9	39.5	30.6	25.5	61
PERCENT OF AVERAGE COMMON EQUITY:							
EARNINGS AVAILABLE FOR COMMON STOCK		13.5	8.5	9.4	13.0	16.6	62
DIVIDEND APPROPRIATIONS, COMMON STOCK		3.3	5.	3.7	4.0	4.2	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

DELHI TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 199,152	$ 132,920	$ 89,251	$ 188,581	$ 220,749
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	409,721	429,607	372,278	327,040	275,231
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	32,474	39,850	65,879	68,606	129,608
4	INTEREST CAPITALIZED	-	-	-	-	30,072-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	641,347	602,377	527,408	584,227	595,516
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	26,606	-	52,235		-
9	TOTAL FUNDS FROM INTERNAL SOURCES	667,953	602,377	579,643	584,227	595,516
10	LESS DIVIDENDS: PREFERRED	696	751	1,332	9,168	15,050
11	COMMON	55,440	79,200	55,440	54,945	52,470
12	NET FUNDS FROM INTERNAL SOURCES	611,817	522,426	522,871	520,114	527,996
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	81,800	15,800	182,800	567,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	100,000	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	81,800	115,800	182,800	567,000
20	OTHER SOURCES (NET)	20,060	72,545	83,634	100,899	36,158
21						
22						
23	TOTAL FUNDS PROVIDED	$ 631,877	$ 676,771	$ 722,305	$ 803,813	$ 1,131,154
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 354,469	$ 277,003	$ 258,731	$ 262,376	943,117
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	354,469	277,003	258,731	262,376	943,117
28	LESS INTEREST CAPITALIZED	-	-	-	-	30,072
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	354,469	277,003	258,731	262,376	913,045
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	54,164	26,450	22,997	17,370	16,124
31	PREFERRED STOCK	2,600	5,800	15,800	182,800	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	100,000	-	110,000	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	56,764	132,250	38,797	310,170	16,124
37	OTHER USES (NET)	220,644	267,518	424,777	231,267	201,985
38						
39						
40	TOTAL FUNDS APPLIED	$ 631,877	$ 676,771	$ 722,305	$ 803,813	$ 1,131,154

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

DELHI TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 438,038 $	442,883 $	423,730 $	428,708 $	409,989	1
ACCESS REVENUES	815,823					2
TOLL REVENUES	545,390	1,605,193	1,457,671	1,469,227	1,420,030	3
MISCELLANEOUS REVENUES	466,132	64,778	54,966	48,890	37,812	4
UNCOLLECTIBLE REVENUES-DR *	25,499	15,818	23,884	18,240	13,950	5
TOTAL TELEPHONE OPERATING REVENUE	$ 2,239,884 $	2,097,036 $	1,912,483 $	1,928,562 $	1,853,781	6
TELEPHONE ACCESS LINES IN SERVICE	3,881	3,191	2,894	2,858	2,845	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 124.94	$ 146.53	$ 147.33	$ 149.64	$ 146.23	8
ACCESS REVENUE	232.69					9
TOLL REVENUE	195.96	531.08	506.84	515.25	506.51	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 293,108 $	303,011 $	298,119 $	338,278 $	321,357	11
DEPRECIATION + AMORTIZATION EXPENSES	383,103	414,218	358,276	314,415	283,518	12
TRAFFIC EXPENSES	135,870	134,422	127,953	120,191	127,329	13
COMMERCIAL EXPENSES	82,528	66,669	59,841	90,285	90,639	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	408,287	321,576	289,305	225,449	210,634	16
OTHER OPERATING EXPENSES	317,088	273,043	285,229	248,744	221,141	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,627,959 $	1,512,939 $	1,399,323 $	1,337,362 $	1,196,018	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 5,649,833 $	5,352,615 $	5,293,871 $	5,018,722 $	4,885,512	19
PLANT UNDER CONSTRUCTION	129,668	118,716	4,929	57,073	5,203	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	5,779,501	5,471,331	5,298,800	5,075,795	4,879,709	24
ACCUMULATED PROVISION FOR DEPR+AMORT	2,199,232	1,832,945	1,496,133	1,122,356	789,183	25
NET TELEPHONE PLANT	$ 3,580,269 $	3,638,386 $	3,802,667 $	3,953,439 $	4,090,526	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 5,352,615 $	5,293,871 $	5,018,722 $	4,885,512 $	4,207,791	27
ADDITIONS	343,517	163,216	310,877	199,500	1,308,296	28
RETIREMENTS	46,299	104,472	35,728	66,290	630,575	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 5,649,833 $	5,352,615 $	5,293,871 $	5,018,722 $	4,885,512	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

DELHI TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 2,239,884	$ 2,097,036	$ 1,912,483	$ 1,928,582	$ 1,853,761
2	ACCESS LINES (AVERAGE*)	3,506	3,023	2,876	2,852	2,803
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 687,442	$ 676,683	$ 617,499	$ 587,942	$ 545,778
4	OTHER OPERATION AND MAINTENANCE EXPENSES	547,414	422,038	423,548	395,006	388,622
5	DEPRECIATION AND AMORTIZATION EXPENSES	393,103	414,218	358,276	314,415	263,618
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	57,370	83,609	50,622	83,009	93,849
8	OTHER TAXES - OPERATING	210,173	231,202	202,913	182,698	170,895
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	215,677	211,982	210,892	205,365	192,113
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	696	751	1,332	9,168	13,847
11	EARNINGS AVAILABLE FOR COMMON EQUITY	128,009	58,553	47,401	148,980	158,139
12	TOTAL	$ 2,239,884	$ 2,097,036	$ 1,912,483	$ 1,928,582	$ 1,853,761
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	30.7	32.3	32.3	30.5	29.4
14	OTHER OPERATION AND MAINTENANCE EXPENSES	24.4	20.1	22.1	20.5	20.8
15	DEPRECIATION AND AMORTIZATION EXPENSES	17.6	19.8	18.7	16.3	14.2
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	2.6	4.0	2.6	4.3	5.1
18	OTHER TAXES - OPERATING	9.4	11.0	10.6	9.5	9.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	9.6	10.1	11.0	10.7	10.4
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	0.1	0.5	0.7
21	EARNINGS AVAILABLE FOR COMMON EQUITY	5.7	2.7	2.5	7.7	10.1
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 16.34	$ 18.66	$ 17.89	$ 17.18	$ 16.23
24	OTHER OPERATION AND MAINTENANCE EXPENSES	13.01	11.64	12.27	11.54	11.46
25	DEPRECIATION AND AMORTIZATION EXPENSES	9.34	11.42	10.38	9.19	7.84
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	1.36	2.31	1.47	2.43	2.79
28	OTHER TAXES - OPERATING	5.00	6.37	5.88	5.34	5.08
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.13	5.84	6.11	6.00	5.71
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.02	0.02	0.04	0.27	0.41
31	EARNINGS AVAILABLE FOR COMMON EQUITY	3.04	1.58	1.37	4.35	5.59
32	TOTAL	$ 53.24	$ 57.82	$ 55.42	$ 56.30	$ 55.11

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

DEPOSIT TELEPHONE COMPANY, INC.

LINE NO. ITEM	1985	1984	1983	1982	1981
ASSETS AND OTHER DEBITS					
1 TELEPHONE PLANT	$ 7,736,832	$ 7,307,017	$ 6,593,082	$ 5,857,970	$ 5,617,904
2 ACCUMULATED PROVISION FOR DEPR+AMORT	2,106,240	1,737,538	1,582,004	1,576,720	1,313,065
3 NET TELEPHONE PLANT	5,630,592	5,569,479	5,011,078	4,281,250	4,304,839
4 INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5 ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6 MISCELLANEOUS PHYSICAL PROPERTY	11,357	8,240	-	-	-
7 OTHER INVESTMENTS AND FUNDS	9,320	4,320	1,320	1,320	1,320
8 TOTAL INVESTMENTS AND FUNDS	20,677	12,560	1,320	1,320	1,320
9 CASH AND WORKING FUNDS	294,423	130,698	357,498	70,420	25,352
10 SPECIAL CASH DEPOSITS	3,433	3,433	2,305	2,305	2,153
11 TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12 NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13 OTHER NOTES AND ACCOUNTS RECEIVABLE	256,894	653,324	44,984	58,724	47,876
14 DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	266,678	294,584	271,812	252,196	235,781
15 MATERIALS AND SUPPLIES*	98,676	99,987	73,488	45,255	38,582
16 PREPAYMENTS	67,786	62,987	59,255	49,940	44,097
17 OTHER CURRENT AND ACCRUED ASSETS	-	-	-	11,228	-
18 TOTAL CURRENT AND ACCRUED ASSETS	987,890	1,244,953	809,342	490,068	393,841
19 UNAMORTIZED DEBT DISCOUNT AND EXPENSE	48,485	52,721	56,957	21,299	22,919
20 EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	13,853	11,930	-	-
21 RESEARCH AND DEVELOPMENT	-	-	-	-	-
22 OTHER DEFERRED DEBITS	8,326	-		11,068	12,941
23 TOTAL DEFERRED DEBITS	56,811	66,574	68,887	32,367	35,860
24 TOTAL ASSETS AND OTHER DEBITS	6,695,970 $	6,893,566 $	5,890,627 $	4,805,005 $	4,735,860
LIABILITIES AND OTHER CREDITS					
25 COMMON CAPITAL STOCK	$ 322,250	$ 322,250	$ 322,250	$ 322,250	$ 322,250
26 PREFERRED CAPITAL STOCK	-	-	150,000	150,000	150,000
27 STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28 PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29 CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30 INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31 OTHER PAID-IN CAPITAL	-	-	-	-	-
32 CAPITAL STOCK EXPENSE	-	-	-	-	-
33 RETAINED EARNINGS	2,732,382	2,334,489	2,005,878	1,707,476	1,512,144
34 TOTAL PROPRIETARY CAPITAL	3,054,632	2,656,739	2,478,128	2,179,726	1,984,394
35 BONDS(LESS BONDS REACQUIRED)	1,748,000	1,870,000	1,992,000	834,000	876,000
36 ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37 OTHER LONG-TERM DEBT	150,000	150,000	-	-	-
38 TOTAL LONG-TERM DEBT	1,898,000	2,020,000	1,992,000	834,000	876,000
39 NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40 OTHER NOTES AND ACCOUNTS PAYABLE	405,476	1,036,463	324,140	869,775	1,127,087
41 CUSTOMERS'DEPOSITS	49,890	61,035	48,105	42,080	42,150
42 ADVANCE BILLING AND PAYMENTS	16,655	32,990	30,391	29,042	23,117
43 TAXES ACCRUED	34,928	12,698	111,032	126,740	7,570
44 OTHER CURRENT AND ACCRUED LIABILITIES	75,610	76,806	74,619	30,247	35,611
45 TOTAL CURRENT AND ACCRUED LIABILITIES	582,357	1,219,992	588,287	1,097,884	1,235,515
46 UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47 ACCUM. DEFERRED INVESTMENT TAX CREDITS	474,794	458,252	385,901	293,071	276,242
48 OTHER DEFERRED CREDITS	3,733	8,394	8,074	-	-
49 TOTAL DEFERRED CREDITS	478,527	466,646	393,975	293,071	276,242
50 OPERATING RESERVES	-	-	-	-	-
51 ACCUMULATED DEFERRED INCOME TAXES	682,454	530,189	438,237	400,324	363,709
52 TOTAL LIABILITIES AND OTHER CREDITS	$ 6,695,970	$ 6,893,566	$ 5,890,627	$ 4,805,005	$ 4,735,860
SELECTED BALANCE SHEET RELATIONSHIPS					
53 TELEPHONE PLANT PER DOLLAR OF REVENUE	2.48	2.45	2.51	2.68	2.39
54 CURRENT ASSETS/CURRENT LIABILITIES	1.70	1.02	1.38	0.45	0.32
PERCENT OF CAPITALIZATION					
55 LONG-TERM DEBT	38.3	43.1	44.5	27.6	30.6
56 PREFERRED STOCK	-	-	3.3	4.9	5.2
57 COMMON STOCK+OTHER PAID-IN CAPITAL	6.5	6.8	7.2	10.6	11.2
58 RETAINED EARNINGS	55.1	49.9	44.8	56.6	52.9
LONG-TERM DEBT					
59 PERCENT OF GROSS TELEPHONE PLANT	24.5	27.6	30.2	14.2	15.5
60 PERCENT OF NET TELEPHONE PLANT	33.7	36.2	39.7	19.4	20.3
61 ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	27.2	23.7	23.9	26.9	23.3

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

DEPOSIT TELEPHONE COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 3,028,398	$ 2,834,453	$ 2,483,394	$ 2,154,589	$ 1,831,975	1
OPERATION AND MAINTENANCE EXPENSE	1,304,922	1,184,877	1,025,798	1,012,922	938,890	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	435,402	445,784	412,366	270,814	229,989	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	282,109	298,039	270,096	221,317	198,820	6
INCOME TAXES-OPERATING	157,355	145,000	202,290	128,780	20,602	7
OPERATING INCOME TAXES DEFERRED	150,758	103,699	43,815	51,085	59,584	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	1,508	11,747-	5,902-	14,470-	6,530-	9
TOTAL OPERATING EXPENSES	2,332,054	2,165,654	1,948,463	1,670,448	1,439,455	10
TOTAL TELEPHONE OPERATING INCOME	696,344	668,799	534,931	484,141	392,520	11
OTHER INCOME						
DIVIDEND INCOME	158	158	155	152	152	12
INTEREST INCOME	13,582	28,177	24,603	-	4,935	13
ALLOWANCE FOR CONSTRUCTION FUNDS	7,564	9,317	15,975	4,428	3,727	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	4,522	-	-	-	-	16
MISCELLANEOUS INCOME	6,146	36,818-	9,659	1,749	-	17
TOTAL OTHER INCOME	31,972	834	50,392	6,329	8,814	18
TOTAL INCOME	728,316	669,633	585,323	490,470	401,334	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	1,069	680	435	1,160	839	22
TOTAL INCOME DEDUCTIONS	1,069	680	435	1,160	839	23
INCOME BEFORE INTEREST CHARGES	727,247	668,953	584,888	489,310	400,495	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	200,186	214,141	179,700	77,926	81,781	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	4,236	4,236	2,272	1,620	1,620	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	19,739	19,911	40,660	144,564	164,002	29
TOTAL INTEREST CHARGES	224,161	238,288	223,632	224,110	247,402	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	503,086	430,665	361,256	265,200	153,092	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	13,957	5,497	58,428	34,531	20,361	32
EXTRAORDINARY/DELAYED INCOME CHARGES	8,712-	11,049-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	26,877	5,884	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	5,245	5,552-	31,551	18,647	20,361	35
NET INCOME	$ 508,331	$ 425,113	$ 392,807	$ 283,847	$ 173,453	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,334,489	$ 2,005,878	$ 1,707,476	$ 1,512,144	$ 1,422,789	37
BALANCE TRANSFERRED FROM INCOME	508,331	425,113	392,807	283,847	173,453	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	2,262	9,000	9,000	9,000	42
-COMMON STOCK	110,438	94,240	85,405	79,515	75,098	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,732,382	2,334,489	2,005,878	1,707,476	1,512,144	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,732,382	$ 2,334,489	$ 2,005,878	$ 1,707,476	$ 1,512,144	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	43.0	41.8	41.3	47.0	51.1	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	14.3	15.7	16.6	12.6	12.6	49
TOTAL INCOME TAXES-OPERATING	10.2	8.4	9.7	7.7	4.0	50
OTHER TAXES-OPERATING	9.3	10.5	10.8	10.2	10.8	51
TOTAL OPERATING EXPENSES	77.0	76.4	78.4	77.5	78.5	52
OPERATING INCOME	22.9	23.5	21.5	22.4	21.4	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.6	6.1	6.2	4.6	4.0	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	7.4	8.4	9.0	10.4	13.5	55
PRETAX INTEREST COVERAGE	4.6	3.8	3.7	2.9	1.9	56
NET INCOME-PERCENT OF OPERATING REVENUES	16.7	14.9	15.8	13.1	9.4	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	0.3	0.4	0.4	58
TIMES EARNED	-	187.9	43.6	31.5	19.3	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	3.6	3.3	3.4	3.6	4.0	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	21.7	22.2	22.7	28.9	45.6	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	17.8	16.9	17.6	14.2	9.1	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	3.8	3.7	3.9	4.1	3.1	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

DEPOSIT TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 503,088	$ 430,665	$ 361,256	$ 265,200	$ 153,092
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	471,257	475,593	434,138	293,335	254,382
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	168,808	164,303	130,743	53,444	70,540
4	INTEREST CAPITALIZED	7,564-	9,317-	15,975-	4,428-	3,727-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,135,587	1,061,244	910,162	607,551	474,287
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	5,245	5,552-	31,551	18,647	20,361
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,140,832	1,055,692	941,713	626,198	494,648
10	LESS DIVIDENDS: PREFERRED	-	2,262	9,000	9,000	9,000
11	COMMON	110,438	94,240	85,405	79,515	75,098
12	NET FUNDS FROM INTERNAL SOURCES	1,030,394	959,190	847,308	537,683	410,550
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	150,000	1,200,000	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	150,000	1,200,000	-	-
20	OTHER SOURCES (NET)	45,327	269,470	35,173	15,042	126,033
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,075,721	$ 1,378,660	$ 2,082,481	$ 552,725	$ 536,583
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 549,354	$ 1,083,118	$ 1,192,413	$ 274,530	$ 402,482
25	NON-UTILITY PLANT	3,117	8,240	-	-	-
26	OTHER	-	-	-	-	
27	TOTAL GROSS ADDITIONS	552,471	1,091,358	1,192,413	274,530	402,482
28	LESS INTEREST CAPITALIZED	7,564	9,317	15,975	4,428	3,727
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	544,907	1,082,041	1,176,438	270,102	398,755
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	122,000	42,000	42,000	42,000
31	PREFERRED STOCK	-	150,000	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	13,592	716,408	180,000	75,000
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	122,000	285,592	758,408	222,000	117,000
37	OTHER USES (NET)	408,814	11,027	147,635	60,623	20,828
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,075,721	$ 1,378,660	$ 2,082,481	$ 552,725	$ 536,583

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

DEPOSIT TELEPHONE COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 1,154,814	$ 1,020,747	$ 1,012,891	$ 970,947	$ 880,816	1
ACCESS REVENUES	919,657					2
TOLL REVENUES	728,819	1,656,087	1,414,031	1,119,374	897,422	3
MISCELLANEOUS REVENUES	234,708	167,219	66,072	75,468	62,437	4
UNCOLLECTIBLE REVENUES-DR	9,600	9,600	9,600	11,200	8,700	5
TOTAL TELEPHONE OPERATING REVENUE	$ 3,028,398	$ 2,834,453	$ 2,483,394	$ 2,154,589	$ 1,831,975	6
TELEPHONE ACCESS LINES IN SERVICE	6,221	6,026	5,784	5,638	5,531	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 188.59	$ 172.86	$ 177.36	$ 173.86	$ 160.78	8
ACCESS REVENUE	150.18					9
TOLL REVENUE	119.02	280.46	247.60	200.44	163.81	10

*YEAR END AVERAGE

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 483,420	$ 442,555	$ 379,137	$ 370,360	$ 329,735	11
DEPRECIATION + AMORTIZATION EXPENSES	435,402	445,784	412,366	270,814	229,989	12
TRAFFIC EXPENSES	89,649	116,355	27,733	26,908	28,730	13
COMMERCIAL EXPENSES	142,366	115,615	123,377	123,885	103,540	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	373,283	330,265	311,231	333,193	304,707	16
OTHER OPERATING EXPENSES	216,224	180,087	184,320	158,576	170,178	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,740,324	$ 1,630,661	$ 1,438,164	$ 1,283,736	$ 1,166,879	18

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 7,724,990	$ 7,300,405	$ 6,583,529	$ 5,830,548	$ 5,525,632	19
PLANT UNDER CONSTRUCTION	11,842	6,612	9,553	27,422	92,272	20
PROPERTY HELD FOR FUTURE USE	-	-		-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-		-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	7,736,832	7,307,017	6,593,082	5,857,970	5,617,904	24
ACCUMULATED PROVISION FOR DEPR+AMORT	2,106,240	1,737,538	1,582,004	1,576,720	1,313,065	25
NET TELEPHONE PLANT	$ 5,630,592	$ 5,569,479	$ 5,011,078	$ 4,281,250	$ 4,304,839	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 7,300,404	$ 6,583,529	$ 5,830,549	$ 5,525,632	$ 5,335,683	27
ADDITIONS	544,124	1,086,059	1,210,281	338,822	314,436	28
RETIREMENTS	119,538	369,183	457,301	34,464	125,381	29
TRANSFERS AND ADJUSTMENTS	-	-	-	558	894	30
PLANT IN SERVICE END OF YEAR	$ 7,724,990	$ 7,300,405	$ 6,583,529	$ 5,830,548	$ 5,525,632	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

DEPOSIT TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 3,028,398	$ 2,834,453	$ 2,483,394	$ 2,154,589	$ 1,831,975
2	ACCESS LINES (AVERAGE*)	6,124	5,905	5,711	5,585	5,479
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 735,657	$ 643,104	$ 612,859	$ 563,308	$ 543,561
4	OTHER OPERATION AND MAINTENANCE EXPENSES	569,285	541,773	412,939	449,814	393,329
5	DEPRECIATION AND AMORTIZATION EXPENSES	435,402	445,784	412,366	270,814	229,989
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	309,621	236,952	240,203	165,395	73,756
8	OTHER TAXES - OPERATING	282,109	298,039	270,096	221,317	198,820
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	221,907	235,195	217,785	223,092	246,027
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	2,224	8,712	8,880	8,847
11	EARNINGS AVAILABLE FOR COMMON EQUITY	474,437	431,380	308,434	252,169	137,646
12	TOTAL	$ 3,028,398	$ 2,834,453	$ 2,483,394	$ 2,154,589	$ 1,831,975
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	24.3	22.7	24.7	26.1	29.7
14	OTHER OPERATION AND MAINTENANCE EXPENSES	18.8	19.1	16.6	20.9	21.4
15	DEPRECIATION AND AMORTIZATION EXPENSES	14.4	15.7	16.6	12.6	12.6
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	10.2	8.4	9.7	7.7	4.0
18	OTHER TAXES - OPERATING	9.3	10.5	10.9	10.3	10.9
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.3	8.3	8.8	10.4	13.4
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	0.1	0.4	0.4	0.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	15.7	15.2	12.4	11.7	7.5
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 10.01	$ 9.08	$ 8.94	$ 8.41	$ 8.27
24	OTHER OPERATION AND MAINTENANCE EXPENSES	7.75	7.65	6.03	6.71	5.98
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.93	6.29	6.02	4.04	3.50
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	4.21	3.34	3.50	2.47	1.12
28	OTHER TAXES - OPERATING	3.84	4.21	3.94	3.30	3.02
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.02	3.32	3.18	3.33	3.74
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	0.03	0.13	0.13	0.13
31	EARNINGS AVAILABLE FOR COMMON EQUITY	6.46	6.09	4.50	3.76	2.09
32	TOTAL	$ 41.21	$ 40.00	$ 36.24	$ 32.15	$ 27.87

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

DUNKIRK AND FREDONIA TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 8,531,658	$ 8,254,918	$ 8,247,044	$ 7,988,792	$ 7,476,363
2	ACCUMULATED PROVISION FOR DEPR+AMORT	2,296,302	2,080,661	1,959,603	1,619,014	2,750,888
3	NET TELEPHONE PLANT	6,235,356	6,174,257	6,287,441	6,369,778	4,725,475
4	INVESTMENTS IN AFFILIATED COMPANIES	351,004	351,004	351,004	51,004	51,004
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	171,035	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	207,150	202,150	202,150	202,150	202,150
8	TOTAL INVESTMENTS AND FUNDS	729,189	553,154	553,154	253,154	253,154
9	CASH AND WORKING FUNDS	212,100	64,456	22,657	33,668	93,533
10	SPECIAL CASH DEPOSITS	24,711	20,332	16,555	16,012	21,036
11	TEMPORARY CASH INVESTMENTS	959,772	414,181	135,767	58,912	2,699
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	146,404	160,320	65,434	66,739	94,703
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	230,129	301,007	28,993	133,380	47,666
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	287,147	334,762	340,218	304,840	280,757
15	MATERIALS AND SUPPLIES*	180,616	155,601	155,211	228,756	223,308
16	PREPAYMENTS	120,763	105,721	106,962	89,181	95,201
17	OTHER CURRENT AND ACCRUED ASSETS	2,548	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	2,164,210	1,556,380	871,797	931,488	858,903
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	13,235	13,686	14,138	14,589	15,040
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	21,990	6,651	3,374	4,327	5,680
23	TOTAL DEFERRED DEBITS	35,225	20,337	17,512	18,916	20,720
24	TOTAL ASSETS AND OTHER DEBITS	9,163,980	$ 8,304,128	$ 7,729,904	$ 7,573,336	$ 5,858,252
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 619,975	$ 619,975	$ 619,975	$ 619,975	$ 619,975
26	PREFERRED CAPITAL STOCK	425,000	425,000	425,000	425,000	425,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	2,511,015	1,895,526	1,655,153	1,591,566	1,398,978
34	TOTAL PROPRIETARY CAPITAL	3,555,990	2,940,501	2,700,128	2,636,541	2,443,953
35	BONDS(LESS BONDS REACQUIRED)	3,566,098	3,605,314	3,641,961	3,557,020	1,607,689
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	3,566,098	3,605,314	3,641,961	3,557,020	1,607,689
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	246,806	308,734	265,834	573,698	1,196,418
41	CUSTOMERS' DEPOSITS	57,930	84,758	94,203	97,900	84,217
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	80,499	94,846	68,178	60,645	38,154
44	OTHER CURRENT AND ACCRUED LIABILITIES	52,237	49,938	45,756	48,879	39,297
45	TOTAL CURRENT AND ACCRUED LIABILITIES	437,472	538,276	473,971	781,122	1,358,086
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	255,809	132,252	101,159	110,550	119,421
48	OTHER DEFERRED CREDITS	11,674	-	-	-	-
49	TOTAL DEFERRED CREDITS	267,483	132,252	101,159	110,550	119,421
50	OPERATING RESERVES	23,172	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	1,313,765	1,087,784	812,685	488,103	329,103
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 9,163,980	$ 8,304,127	$ 7,729,904	$ 7,573,336	$ 5,858,252
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.02	2.26	2.57	2.87	3.04
54	CURRENT ASSETS/CURRENT LIABILITIES	4.95	2.89	1.84	1.19	0.63
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	50.0	55.0	57.4	57.4	39.6
56	PREFERRED STOCK	5.9	6.4	6.7	6.8	10.4
57	COMMON STOCK+OTHER PAID-IN CAPITAL	8.7	9.4	9.7	10.0	15.3
58	RETAINED EARNINGS	35.2	28.9	26.0	25.6	34.5
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	41.7	43.6	44.1	44.5	21.5
60	PERCENT OF NET TELEPHONE PLANT	57.1	58.3	57.9	55.8	34.0
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	26.9	25.2	23.7	20.2	36.7

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

DUNKIRK AND FREDONIA TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 4,147,368 $	3,652,428 $	3,163,929 $	2,693,847 $	2,252,895	1
OPERATION AND MAINTENANCE EXPENSE	1,971,956	1,929,698	1,666,587	1,596,186	1,215,230	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	374,628	384,928	389,615	384,710	319,514	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	420,944	406,283	366,170	331,198	277,986	6
INCOME TAXES-OPERATING	138,710	37,832	43,455	89,694-	68,287	7
OPERATING INCOME TAXES DEFERRED	257,587	282,386	268,227	167,795	53,048	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	8,907-	7,287-	8,145-	8,795-	9,613-	9
TOTAL OPERATING EXPENSES	3,151,917	3,033,838	2,725,909	2,351,399	1,924,452	10
TOTAL TELEPHONE OPERATING INCOME	995,441	618,588	438,020	342,448	328,443	11
OTHER INCOME						
DIVIDEND INCOME	26,205	23,478	14,094	13,051	12,141	12
INTEREST INCOME	52,326	16,862	4,894	1,675	466	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	131,623	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	3,349	25,042-	4,904-	16,492	35,703	17
TOTAL OTHER INCOME	81,880	15,298	14,084	162,841	48,310	18
TOTAL INCOME	1,077,321	633,876	452,104	505,289	376,753	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	12,826	5,219	5,680	5,971	6,084	22
TOTAL INCOME DEDUCTIONS	12,826	5,219	5,680	5,971	6,084	23
INCOME BEFORE INTEREST CHARGES	1,064,495	628,657	446,424	499,318	370,669	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	233,831	236,486	235,545	185,223	104,919	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	451	461	451	451	461	26
AMORT. OF PREMIUM ON DEBT-CREDIT	74	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	11,029	19,145	37,084	14,233	7,709	29
TOTAL INTEREST CHARGES	245,386	255,061	273,080	199,907	113,089	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	819,110	373,596	173,344	299,411	257,580	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 819,110 $	373,596 $	173,344 $	299,411 $	257,580	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 1,895,526 $	1,655,153 $	1,591,566 $	1,398,978 $	1,239,422	37
BALANCE TRANSFERRED FROM INCOME	819,110	373,596	173,344	299,411	257,580	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	27,626	27,626	27,626	27,626	27,626	42
-COMMON STOCK	175,995	105,597	82,131	79,197	70,398	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,511,015	1,895,526	1,655,153	1,591,566	1,398,978	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,511,015 $	1,895,526 $	1,655,153 $	1,591,566 $	1,398,978	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	47.5	52.8	52.6	59.2	53.9	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	9.0	10.5	12.3	13.1	14.1	49
TOTAL INCOME TAXES-OPERATING	9.3	8.8	9.6	2.6	5.0	50
OTHER TAXES-OPERATING	10.1	11.1	11.5	12.2	12.3	51
TOTAL OPERATING EXPENSES	75.9	83.0	86.1	87.2	85.4	52
OPERATING INCOME	24.0	16.9	13.8	12.7	14.6	53
DEPR. AND AMORT % OF TELEPHONE PLANT	4.3	4.6	4.7	4.4	4.2	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	5.9	7.0	8.6	7.4	5.0	55
PRETAX INTEREST COVERAGE	5.8	3.7	2.7	2.8	4.2	56
NET INCOME-PERCENT OF OPERATING REVENUES	19.7	10.2	5.4	11.1	11.4	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.6	0.7	0.8	1.0	1.2	58
TIMES EARNED	29.6	13.5	6.3	10.8	9.3	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	4.2	2.8	2.5	2.9	3.1	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	22.2	30.5	56.3	29.1	30.6	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	28.0	14.4	6.4	12.8	11.8	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	6.2	4.4	3.6	3.7	3.6	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

DUNKIRK AND FREDONIA TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 819,110	$ 373,596	$ 173,344	$ 299,411	$ 257,580
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	421,335	424,541	428,709	386,626	349,424
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	384,384	306,192	315,191	150,129	62,564
4	INTEREST CAPITALIZED	-	-	-	131,623-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,624,829	1,104,329	917,244	704,543	669,568
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,624,829	1,104,329	917,244	704,543	669,568
10	LESS DIVIDENDS: PREFERRED	27,626	27,626	27,626	27,626	27,626
11	COMMON	175,995	105,597	82,131	79,197	70,398
12	NET FUNDS FROM INTERNAL SOURCES	1,421,208	971,106	807,487	597,720	571,544
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	119,386	1,962,000	-
14	PREFERRED STOCK	-		-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	64,305	165,000	14,000	-
17	OTHER (NET)	53,065	-	-	105,522	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	53,065	64,305	284,386	2,081,522	-
20	OTHER SOURCES (NET)	-	60,603	7,750	-	960,495
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,474,273	$ 1,096,014	$ 1,099,623	$ 2,679,242	$ 1,532,039
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 648,984	$ 371,959	$ 354,122	$ 2,136,451	$ 1,450,139
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	648,984	371,959	354,122	2,136,451	1,450,139
28	LESS INTEREST CAPITALIZED	-	-	-	131,623	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	648,984	371,959	354,122	2,004,828	1,450,139
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	39,217	38,647	34,445	12,669	11,900
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	1,000	-	-	-	70,000
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	40,217	38,647	34,445	12,669	81,900
37	OTHER USES (NET)	785,072	687,408	711,056	661,745	-
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,474,273	$ 1,096,014	$ 1,099,623	$ 2,679,242	$ 1,532,039

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

DUNKIRK AND FREDONIA TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 1,569,598	$ 1,498,511	$ 1,354,283	$ 1,325,479	$ 1,231,645	1
ACCESS REVENUES	1,265,435					2
TOLL REVENUES	862,471	1,812,113	1,696,562	1,203,099	946,246	3
MISCELLANEOUS REVENUES	474,752	353,677	146,344	179,195	101,704	4
UNCOLLECTIBLE REVENUES-DR	24,898	14,875	33,260	13,926	26,700	5
TOTAL TELEPHONE OPERATING REVENUE	$ 4,147,358	$ 3,652,428	$ 3,163,929	$ 2,693,847	$ 2,252,895	6
TELEPHONE ACCESS LINES IN SERVICE	7,601	7,654	7,549	7,558	7,503	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 205.78	$ 196.87	$ 179.29	$ 176.01	$ 164.95	8
ACCESS REVENUE	165.90					9
TOLL REVENUE	113.07	238.39	224.61	159.76	126.95	10

*YEAR END AVERAGE

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 592,221	$ 575,050	$ 598,163	$ 635,606	$ 441,728	11
DEPRECIATION + AMORTIZATION EXPENSES	374,628	384,926	389,615	354,710	319,514	12
TRAFFIC EXPENSES	98,843	137,933	32,103	31,872	30,324	13
COMMERCIAL EXPENSES	317,191	333,119	246,388	211,574	153,179	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	669,599	591,188	537,917	478,839	396,757	16
OTHER OPERATING EXPENSES	296,101	292,410	252,016	238,294	193,244	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 2,348,583	$ 2,314,624	$ 2,056,202	$ 1,950,895	$ 1,534,744	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 8,335,556	$ 8,162,240	$ 8,103,456	$ 7,973,367	$ 6,370,325	19
PLANT UNDER CONSTRUCTION	196,102	92,678	143,588	15,425	991,604	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	114,434	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	8,531,658	8,254,918	8,247,044	7,988,792	7,476,363	24
ACCUMULATED PROVISION FOR DEPR+AMORT	2,296,302	2,080,661	1,959,603	1,619,014	2,750,888	25
NET TELEPHONE PLANT	$ 6,235,356	$ 6,174,257	$ 6,287,441	$ 6,369,778	$ 4,725,475	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 8,162,240	$ 8,103,456	$ 7,973,367	$ 6,370,325	$ 6,026,672	27
ADDITIONS	545,559	422,869	725,959	3,112,630	556,535	28
RETIREMENTS	215,313	364,085	595,870	1,624,022	212,882	29
TRANSFERS AND ADJUSTMENTS	156,930-	-		114,434	-	30
PLANT IN SERVICE END OF YEAR	$ 8,335,556	$ 8,162,240	$ 8,103,456	$ 7,973,367	$ 6,370,325	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

DUNKIRK AND FREDONIA TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 4,147,358	$ 3,652,428	$ 3,163,929	$ 2,693,847	$ 2,252,895
2	ACCESS LINES (AVERAGE*)	7,628	7,602	7,554	7,531	7,472
	DOLLAR AMOUNTS					
3	WAGES AND BENEFITS	$ 1,255,337	$ 1,092,584	$ 1,052,805	$ 997,500	$ 793,098
4	OTHER OPERATION AND MAINTENANCE EXPENSES	716,018	837,114	613,782	598,585	422,132
5	DEPRECIATION AND AMORTIZATION EXPENSES	374,628	384,926	389,615	354,710	319,514
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	384,390	312,931	303,537	69,306	111,722
8	OTHER TAXES - OPERATING	420,944	406,283	366,170	331,198	277,386
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	245,385	255,061	213,080	125,540	113,089
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	27,626	27,626	27,626	16,570	27,626
11	EARNINGS AVAILABLE FOR COMMON EQUITY	722,430	335,901	137,314	200,338	187,729
12	TOTAL	$ 4,147,358	$ 3,652,428	$ 3,163,929	$ 2,693,847	$ 2,252,895
	PERCENT OF REVENUES					
13	WAGES AND BENEFITS	30.3	29.9	33.3	37.0	35.2
14	OTHER OPERATION AND MAINTENANCE EXPENSES	17.3	22.9	19.4	22.2	18.7
15	DEPRECIATION AND AMORTIZATION EXPENSES	9.0	10.5	12.3	13.2	14.2
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	9.3	8.6	9.6	2.6	5.0
18	OTHER TAXES - OPERATING	10.1	11.1	11.6	12.3	12.3
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.9	7.0	6.6	4.7	5.0
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.7	0.8	0.9	0.6	1.2
21	EARNINGS AVAILABLE FOR COMMON EQUITY	17.4	9.2	4.3	7.4	8.3
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER AVERAGE ACCESS LINE PER MONTH					
23	WAGES AND BENEFITS	$ 13.72	$ 11.98	$ 11.61	$ 11.04	$ 8.85
24	OTHER OPERATION AND MAINTENANCE EXPENSES	7.82	9.18	6.77	6.62	4.71
25	DEPRECIATION AND AMORTIZATION EXPENSES	4.09	4.22	4.30	3.93	3.56
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	4.20	3.43	3.35	0.77	1.25
28	OTHER TAXES - OPERATING	4.60	4.45	4.04	3.67	3.10
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.68	2.80	3.01	1.39	1.26
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.30	0.30	0.30	0.18	0.31
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.89	3.68	1.51	2.22	2.09
32	TOTAL	$ 45.31	$ 40.04	$ 34.91	$ 29.81	$ 25.13

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

EDWARDS TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 3,004,762	$ 2,821,201	$ 2,733,131	$ 2,592,968	$ 2,331,385
2	ACCUMULATED PROVISION FOR DEPR+AMORT	962,977	784,715	634,154	498,331	372,707
3	NET TELEPHONE PLANT	2,041,785	2,036,486	2,098,977	2,094,637	1,958,678
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	3,674	3,664	3,674	3,674	2,674
8	TOTAL INVESTMENTS AND FUNDS	3,674	3,664	3,674	3,674	2,674
9	CASH AND WORKING FUNDS	67,070	24,487	37,037	5,471	5,588
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	585,000	389,457	292,114	239,733	148,984
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	41,302	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	80,824	92,082	47,636	39,244	38,368
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	30,890	34,916	27,083	28,498	34,431
15	MATERIALS AND SUPPLIES*	27,501	30,925	28,594	18,385	34,783
16	PREPAYMENTS	25,341	22,639	23,396	20,342	15,009
17	OTHER CURRENT AND ACCRUED ASSETS	7,779	3,462	2,065	3,645	5,270
18	TOTAL CURRENT AND ACCRUED ASSETS	830,205	619,470	457,925	355,318	281,913
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	3,792	3,938	4,084	4,230	4,376
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	-	32	-
23	TOTAL DEFERRED DEBITS	3,792	3,938	4,084	4,262	4,376
24	TOTAL ASSETS AND OTHER DEBITS	2,879,456	$ 2,663,558	$ 2,564,660	$ 2,457,891	$ 2,247,641
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 67,600	$ 67,600	$ 67,600	$ 67,600	$ 67,600
26	PREFERRED CAPITAL STOCK	18,000	20,000	20,000	20,000	20,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	1,660-	1,660-	1,660-	1,660-	1,660-
33	RETAINED EARNINGS	827,410	624,014	549,632	441,039	355,211
34	TOTAL PROPRIETARY CAPITAL	911,350	709,954	635,572	526,979	441,151
35	BONDS(LESS BONDS REACQUIRED)	-	-	-	-	-
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	1,607,800	1,637,717	1,666,080	1,683,906	1,703,032
38	TOTAL LONG-TERM DEBT	1,607,800	1,637,717	1,666,080	1,683,906	1,703,032
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	19,394	38,588	23,443	24,342	9,610
40	OTHER NOTES AND ACCOUNTS PAYABLE	97,073	32,770	34,922	35,823	11,044
41	CUSTOMERS DEPOSITS	3,224	6,132	6,980	5,580	5,320
42	ADVANCE BILLING AND PAYMENTS	708	708	804	387	382
43	TAXES ACCRUED	20,106	18,714	28,012	41,410-	43,633-
44	OTHER CURRENT AND ACCRUED LIABILITIES	18,372	16,815	16,802	16,269	16,300
45	TOTAL CURRENT AND ACCRUED LIABILITIES	158,877	113,727	110,963	101,931	977-
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	153,025	161,952	122,557	127,746	99,600
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	153,025	161,952	122,557	127,746	99,600
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	48,404	40,208	29,488	17,329	4,329
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 2,879,456	$ 2,663,558	$ 2,564,660	$ 2,457,891	$ 2,247,641
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.71	3.54	3.32	3.38	3.12
54	CURRENT ASSETS/CURRENT LIABILITIES	5.23	5.45	4.13	3.49	288.54-
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	63.8	69.7	72.3	76.1	79.4
56	PREFERRED STOCK	0.7	0.8	0.8	0.9	0.9
57	COMMON STOCK+OTHER PAID-IN CAPITAL	2.6	2.8	2.8	2.9	3.0
58	RETAINED EARNINGS	32.8	26.5	23.6	19.9	16.5
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	53.5	58.0	60.9	64.9	73.0
60	PERCENT OF NET TELEPHONE PLANT	78.7	80.4	79.3	80.3	86.9
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	32.0	27.8	23.2	19.2	15.9

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

EDWARDS TELEPHONE COMPANY, INC

ITEM		1985	1984	1983	1982	1981	LINE NO
		COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS					
TELEPHONE OPERATING INCOME							
OPERATING REVENUES	$	1,076,116 $	784,307 $	801,675 $	728,213 $	704,550	1
OPERATION AND MAINTENANCE EXPENSE		395,868	336,379	297,867	307,618	246,927	2
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	3
DEPRECIATION		184,076	178,843	167,894	151,358	98,655	4
AMORTIZATION		-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING		107,688	96,031	91,062	81,226	64,611	6
INCOME TAXES-OPERATING		132,306	38,636	62,240	33,647	103,914	7
OPERATING INCOME TAXES DEFERRED		8,196	10,720	12,159	12,400	4,298	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING		-	-	-	-	-	9
TOTAL OPERATING EXPENSES		828,134	660,759	631,222	586,508	509,809	10
TOTAL TELEPHONE OPERATING INCOME		247,982	123,548	170,453	141,705	194,741	11
OTHER INCOME							
DIVIDEND INCOME		192	274	70	10	-	12
INTEREST INCOME		41,072	30,611	18,039	28,742	9,398	13
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	-	1,870	1,028	14
INCOME FROM SINKING AND OTHER FUNDS		-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY		-	-	-	-	-	16
MISCELLANEOUS INCOME		22,264	26,053	13,354	14,513	3,731	17
TOTAL OTHER INCOME		63,528	56,938	31,463	45,195	14,157	18
TOTAL INCOME		311,510	180,486	201,916	186,900	208,898	19
INCOME DEDUCTIONS							
TAXES OTHER THAN INC. TAXES-NONOPERATING		-	15,257	3,904	12,853		20
INCOME TAXES-NONOPERATING		17,289	-	983	1,061		21
MISCELLANEOUS INCOME CHARGES		8,046	6,481	2,821	513	663	22
TOTAL INCOME DEDUCTIONS		25,335	21,738	7,708	14,427	663	23
INCOME BEFORE INTEREST CHARGES		286,175	158,748	194,208	172,473	208,235	24
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		81,031	82,455	83,683	84,736	81,681	25
AMORT. OF DEBT DISCOUNT AND EXPENSE		146	-	146	146	146	26
AMORT. OF PREMIUM ON DEB.-CREDIT		-	146	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES		-	-	-	-	-	28
OTHER INTEREST EXPENSE		602	765	786	769	628	29
TOTAL INTEREST CHARGES		81,779	83,366	84,615	85,651	82,455	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS		204,396	75,382	109,593	86,822	125,380	31
EXTRAORDINARY/DELAYED ITEMS							
EXTRAORDINARY/DELAYED INCOME CREDITS		-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES		-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS		-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT		-	-	-	-	-	35
NET INCOME	$	204,396 $	75,382 $	109,593 $	86,822 $	125,380	36
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$	624,014 $	549,632 $	441,039 $	355,217 $	230,837	37
BALANCE TRANSFERRED FROM INCOME		204,396	75,382	109,593	86,822	125,380	38
MISCELLANEOUS CREDITS		-	-	-	-	-	39
MISCELLANEOUS DEBITS		-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK		1,000	1,000	1,000	1,000	1,000	42
-COMMON STOCK		-	-	-	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR		827,410	624,014	549,632	441,039	355,217	44
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$	827,410 $	624,014 $	549,632 $	441,039 $	355,217	46
		SELECTED INCOME ACCOUNT RELATIONSHIPS					
PERCENT OF TELEPHONE OPERATING REVENUES							
OPERATION AND MAINTENANCE EXPENSE		36.7	42.8	37.1	42.2	35.0	47
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION		17.1	22.8	20.9	20.1	14.0	49
TOTAL INCOME TAXES-OPERATING		13.1	6.3	9.3	6.4	14.1	50
OTHER TAXES-OPERATING		10.0	12.2	11.3	11.1	9.1	51
TOTAL OPERATING EXPENSES		76.9	84.2	78.7	80.5	72.3	52
OPERATING INCOME		23.0	15.1	21.2	19.4	27.6	53
DEPR. AND AMORT % OF TELEPHONE PLANT		6.1	6.3	6.1	5.8	4.7	54
INTEREST EXPENSE							
PERCENT OF OPERATING REVENUES		7.6	10.6	10.6	11.8	11.8	55
PRETAX INTEREST COVERAGE		5.2	2.3	3.0	2.4	3.7	56
NET INCOME-PERCENT OF OPERATING REVENUES		18.9	9.6	13.6	11.9	17.9	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK							
PERCENT OF OPERATING REVENUES		-	0.1	0.1	0.1	0.1	58
TIMES EARNED		204.4	75.4	109.6	86.8	125.4	59
DIVIDEND APPROPRIATIONS, COMMON STOCK							
PERCENT OF OPERATING REVENUES		-	-	-	-	-	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK		-	-	-	-	-	61
PERCENT OF AVERAGE COMMON EQUITY							
EARNINGS AVAILABLE FOR COMMON STOCK		25.6	11.3	19.3	18.4	34.6	62
DIVIDEND APPROPRIATIONS, COMMON STOCK		-	-	-	-	-	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

EDWARDS TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 204,396 $	75,382 $	109,593 $	86,622 $	125,380
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	184,076	178,843	177,215	151,358	102,204
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	730-	50,116	12,159	40,846	75,066
4	INTEREST CAPITALIZED	-	-	-	1,870-	1,027-
5	OTHER (NET)	912	912	912	913	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	388,654	305,253	299,879	277,869	301,623
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	388,654	305,253	299,879	277,869	301,623
10	LESS DIVIDENDS: PREFERRED	1,000	1,000	1,000	1,000	1,000
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	387,654	304,253	298,879	276,869	300,623
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	9,210	-	123,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	
17	OTHER (NET)	-	-	-	-	
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	9,210	-	123,000
20	OTHER SOURCES (NET)	-	12,614	17,305	44,067	22,288
21						
22						
23	TOTAL FUNDS PROVIDED	$ 387,654 $	316,867 $	325,394 $	320,936 $	445,911
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 190,800 $	112,953 $	160,839 $	283,864 $	187,609
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	190,800	112,953	160,839	283,864	187,609
28	LESS INTEREST CAPITALIZED	-	-	-	1,870	1,027
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	190,800	112,953	160,839	281,994	186,582
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	29,917	28,363	27,830	19,126	16,160
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)		-		-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	29,917	28,363	27,830	19,126	16,160
37	OTHER USES (NET)	166,937	175,551	136,725	19,816	243,169
38						
39						
40	TOTAL FUNDS APPLIED	$ 387,654 $	316,867 $	325,394 $	320,936 $	445,911

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

EDWARDS TELEPHONE COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 244,495	$ 233,365	$ 219,856	$ 216,794	$ 210,900	1
ACCESS REVENUES	180,300					2
TOLL REVENUES	633,601	549,306	579,616	510,618	497,341	3
MISCELLANEOUS REVENUES	19,462	4,146	5,746	4,881	3,179	4
UNCOLLECTIBLE REVENUES-DR	1,742	2,510	3,543	4,080	6,870	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,076,116	$ 784,307	$ 801,675	$ 728,213	$ 704,550	6
TELEPHONE ACCESS LINES IN SERVICE	1,521	1,489	1,424	1,402	1,387	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 163.54	$ 161.33	$ 155.60	$ 155.46	$ 152.11	8
ACCESS REVENUE	120.60					9
TOLL REVENUE	423.81	379.75	410.20	366.17	358.70	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 119,407	$ 109,270	$ 100,394	$ 124,132	$ 81,763	11
DEPRECIATION + AMORTIZATION EXPENSES	184,076	178,843	167,894	151,358	98,655	12
TRAFFIC EXPENSES	41,429	15,668	9,669	12,364	7,456	13
COMMERCIAL EXPENSES	57,259	50,318	54,060	44,996	38,545	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	127,076	109,270	85,649	73,574	78,438	16
OTHER OPERATING EXPENSES	50,697	51,803	48,095	52,612	40,725	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 579,944	$ 515,172	$ 465,761	$ 459,036	$ 345,582	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 2,925,285	$ 2,804,971	$ 2,718,362	$ 2,569,179	$ 2,325,891	19
PLANT UNDER CONSTRUCTION	78,214	14,055	11,682	19,790	583	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	1,263	2,175	3,087	3,999	4,911	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	3,004,762	2,821,201	2,733,131	2,592,968	2,331,385	24
ACCUMULATED PROVISION FOR DEPR+AMORT	962,977	784,715	634,154	498,331	372,707	25
NET TELEPHONE PLANT	$ 2,041,785	$ 2,036,486	$ 2,098,977	$ 2,094,637	$ 1,958,678	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,804,972	$ 2,718,362	$ 2,569,179	$ 2,325,891	$ 2,048,734	27
ADDITIONS	127,553	110,580	169,087	264,657	199,057	28
RETIREMENTS	7,240	23,970	19,904	21,369	78,100-	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 2,925,285	$ 2,804,972	$ 2,718,362	$ 2,569,179	$ 2,325,891	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

EDWARDS TELEPHONE COMPANY, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,076,116	$ 784,307	$ 801,675	$ 728,213	$ 704,550
2	ACCESS LINES (AVERAGE*)	1,495	1,447	1,413	1,395	1,387
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 92,414	$ 82,454	$ 78,044	$ 72,407	$ 76,406
4	OTHER OPERATION AND MAINTENANCE EXPENSES	303,454	253,875	219,823	235,271	170,521
5	DEPRECIATION AND AMORTIZATION EXPENSES	184,076	178,843	167,894	151,358	98,655
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	140,502	49,556	74,399	46,247	99,616
8	OTHER TAXES - OPERATING	107,688	96,031	91,062	81,225	64,611
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	81,779	83,386	84,615	84,525	82,420
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1,000	1,000	1,000	987	995
11	EARNINGS AVAILABLE FOR COMMON EQUITY	165,203	39,182	84,838	56,193	111,326
12	TOTAL	$ 1,076,116	$ 784,307	$ 801,675	$ 728,213	$ 704,550
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	8.6	10.5	9.7	9.9	10.8
14	OTHER OPERATION AND MAINTENANCE EXPENSES	28.2	32.4	27.4	32.3	24.2
15	DEPRECIATION AND AMORTIZATION EXPENSES	17.1	22.8	20.9	20.8	14.0
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	13.1	6.3	9.3	6.4	14.1
18	OTHER TAXES - OPERATING	10.0	12.2	11.4	11.2	9.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.6	10.6	10.6	11.6	11.7
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.1	0.1	0.1	0.1	0.1
21	EARNINGS AVAILABLE FOR COMMON EQUITY	15.4	5.0	10.6	7.7	15.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 5.15	$ 4.75	$ 4.60	$ 4.33	$ 4.59
24	OTHER OPERATION AND MAINTENANCE EXPENSES	16.91	14.63	12.96	14.06	10.25
25	DEPRECIATION AND AMORTIZATION EXPENSES	10.26	10.30	9.90	9.04	5.93
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	7.83	2.85	4.39	2.76	5.99
28	OTHER TAXES - OPERATING	6.00	5.53	5.37	4.85	3.88
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.56	4.80	4.99	5.05	4.95
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.06	0.06	0.06	0.06	0.06
31	EARNINGS AVAILABLE FOR COMMON EQUITY	9.21	2.26	5.00	3.36	6.69
32	TOTAL	$ 59.98	$ 45.18	$ 47.28	$ 43.52	$ 42.35

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

EMPIRE TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 11,978,768	$ 10,532,736	$ 9,385,254	$ 9,121,112	$ 8,393,632
2	ACCUMULATED PROVISION FOR DEPR+AMORT	3,738,599	3,268,439	3,132,575	2,994,894	2,573,962
3	NET TELEPHONE PLANT	8,240,165	7,264,297	6,252,679	6,126,218	5,819,670
4	INVESTMENTS IN AFFILIATED COMPANIES	9,000	9,000	9,000	9,000	9,000
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	32,501	30,838	30,838	30,838	30,510
7	OTHER INVESTMENTS AND FUNDS	147,114	142,114	142,114	142,114	126,750
8	TOTAL INVESTMENTS AND FUNDS	188,615	181,952	181,952	181,952	166,260
9	CASH AND WORKING FUNDS	104,605	241,599	104,632	1,931	35,688
10	SPECIAL CASH DEPOSITS	426	431	431	431	431
11	TEMPORARY CASH INVESTMENTS	2,975	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	272,511	230,988	119,443	22,833	4,418
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	9,267	120,944	29,002	62,074	6,045
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	65,443	77,939	62,160	70,216	45,733
15	MATERIALS AND SUPPLIES*	260,747	344,040	268,125	206,989	131,479
16	PREPAYMENTS	68,922	61,919	61,068	58,816	59,550
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	784,896	1,077,860	644,861	423,290	283,344
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	10,386	11,187	11,988	12,789	13,590
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	85,483	121,186	149,700	181,229	135,541
23	TOTAL DEFERRED DEBITS	95,869	132,373	161,688	194,018	149,131
24	TOTAL ASSETS AND OTHER DEBITS	9,309,549	$ 8,656,482	$ 7,241,180	$ 6,925,478	$ 6,418,405
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 587,737	$ 45,550	$ 45,550	$ 45,550	$ 45,550
26	PREFERRED CAPITAL STOCK	72,350	72,350	72,350	72,350	72,350
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	2,912-	2,912-	2,912-	2,912-	2,912-
33	RETAINED EARNINGS	2,186,990	2,415,731	2,033,975	1,848,693	1,704,207
34	TOTAL PROPRIETARY CAPITAL	2,844,165	2,530,719	2,148,963	1,963,681	1,819,195
35	BONDS(LESS BONDS REACQUIRED)	-	-	-	-	-
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	239,102
37	OTHER LONG-TERM DEBT	3,651,832	3,771,372	3,887,099	3,996,739	3,774,957
38	TOTAL LONG-TERM DEBT	3,651,832	3,771,372	3,887,099	3,996,739	4,014,059
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	10,665	8,880	35,444	112,958	16,687
40	OTHER NOTES AND ACCOUNTS PAYABLE	1,767,223	1,597,945	553,288	475,662	230,212
41	CUSTOMERS DEPOSITS	3,916	17,185	15,681	15,216	13,748
42	ADVANCE BILLING AND PAYMENTS	5,016	4,953	3,973	3,660	3,216
43	TAXES ACCRUED	12,979	7,024-	55,008	11,012-	21,921
44	OTHER CURRENT AND ACCRUED LIABILITIES	159,618	109,827	166,406	180,010	175,197
45	TOTAL CURRENT AND ACCRUED LIABILITIES	1,959,437	1,731,766	829,800	775,494	460,981
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	300,325	280,425	186,261	81,676	84,985
48	OTHER DEFERRED CREDITS	9,456	-	8,236	7,625	7,015
49	TOTAL DEFERRED CREDITS	309,781	280,425	194,497	89,301	92,000
50	OPERATING RESERVES	-	8,846	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	544,334	353,354	180,821	99,263	32,170
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 9,309,549	$ 8,656,482	$ 7,241,180	$ 6,925,478	$ 6,418,405
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	3.28	3.07	3.22	3.48	3.37
54	CURRENT ASSETS/CURRENT LIABILITIES	0.40	0.62	0.78	0.55	0.61
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	56.2	59.8	64.3	67.0	68.8
56	PREFERRED STOCK	1.1	1.1	1.1	1.2	1.2
57	COMMON STOCK+OTHER PAID-IN CAPITAL	9.0	0.8	0.7	0.7	0.7
58	RETAINED EARNINGS	33.6	38.3	33.6	31.0	29.2
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	30.4	35.8	41.4	43.8	47.8
60	PERCENT OF NET TELEPHONE PLANT	44.3	51.9	62.1	65.2	68.9
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	31.2	31.0	33.3	32.8	30.6

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

EMPIRE TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 3,434,141	$ 3,242,085	$ 2,875,796	$ 2,516,915	$ 2,374,622	1
OPERATION AND MAINTENANCE EXPENSE	1,672,681	1,532,045	1,433,031	1,341,767	1,251,007	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	541,422	480,843	445,023	466,616	337,990	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	432,564	342,051	346,154	288,696	255,804	6
INCOME TAXES-OPERATING	80,921	123,108	154,283	57,945	159,748	7
OPERATING INCOME TAXES DEFERRED	190,980	172,533	81,558	10,494	32,170	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	2,918,568	2,630,578	2,460,049	2,165,518	2,036,719	10
TOTAL TELEPHONE OPERATING INCOME	515,573	611,507	415,747	351,397	337,903	11
OTHER INCOME						
DIVIDEND INCOME	673	632	583	70	70	12
INTEREST INCOME	36,389	36,683	582	70	1,424	13
ALLOWANCE FOR CONSTRUCTION FUNDS	24,332	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	610-	610-	710-	647-	610-	16
MISCELLANEOUS INCOME	26,113	23,977	14,103	9,294	6,442	17
TOTAL OTHER INCOME	86,897	60,682	14,558	8,787	7,326	18
TOTAL INCOME	602,470	672,189	430,305	360,184	345,229	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	681	683	702	20
INCOME TAXES-NONOPERATING	5,437-	5,545-	5,648-	5,746-	5,839-	21
MISCELLANEOUS INCOME CHARGES	29,509	27,327	30,800	27,220	29,154	22
TOTAL INCOME DEDUCTIONS	24,072	21,782	25,833	22,157	24,017	23
INCOME BEFORE INTEREST CHARGES	578,398	650,407	404,472	338,027	321,212	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	151,403	160,137	159,411	161,738	155,911	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	801	801	801	801	801	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	108,499	103,464	54,729	13,084	1,813	29
TOTAL INTEREST CHARGES	260,703	264,402	214,941	175,623	158,525	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	317,695	386,005	189,531	162,404	162,687	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 317,695	$ 386,005	$ 189,531	$ 162,404	$ 162,687	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,415,731	$ 2,033,975	$ 1,848,693	$ 1,704,206	$ 1,556,930	37
BALANCE TRANSFERRED FROM INCOME	317,695	386,005	189,531	162,404	162,687	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	542,187	-	-	13,668	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	4,249	4,249	4,249	4,249	4,249	42
-COMMON STOCK	-	-	-	-	11,161	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,188,990	2,415,731	2,033,975	1,848,693	1,704,207	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,188,990	$ 2,415,731	$ 2,033,975	$ 1,848,693	$ 1,704,207	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	48.7	47.2	49.8	53.3	52.6	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	15.7	14.2	15.4	18.5	14.2	49
TOTAL INCOME TAXES-OPERATING	7.9	9.1	8.2	2.7	8.1	50
OTHER TAXES-OPERATING	12.5	10.5	12.0	11.4	10.7	51
TOTAL OPERATING EXPENSES	84.9	81.1	85.5	86.0	85.7	52
OPERATING INCOME	15.0	18.8	14.4	13.9	14.2	53
DEPR. AND AMORT % OF TELEPHONE PLANT	4.5	4.3	4.7	5.1	4.0	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	7.6	8.2	7.5	7.0	6.7	55
PRETAX INTEREST COVERAGE	3.1	3.5	2.9	2.2	3.2	56
NET INCOME-PERCENT OF OPERATING REVENUES	9.2	11.9	6.5	6.4	6.8	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.1	0.1	0.1	0.1	0.1	58
TIMES EARNED	74.8	90.8	44.6	38.2	38.3	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	-	0.4	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	-	-	-	-	7.0	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	11.9	16.8	9.3	6.6	9.4	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	0.6	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

EMPIRE TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 317,695	$ 386,005	$ 189,531	$ 162,404	$ 162,687
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	603,624	520,449	503,466	531,802	401,361
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	230,880	245,723	186,143	50,116	117,155
4	INTEREST CAPITALIZED	24,332-	-	-	-	-
5	OTHER (NET):	64,108	13,032	47,172	116	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,191,975	1,165,209	926,312	744,438	681,203
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,191,975	1,165,209	926,312	744,438	681,203
10	LESS DIVIDENDS: PREFERRED	4,249	4,249	4,249	4,249	4,249
11	COMMON	-	-	-	-	11,161
12	NET FUNDS FROM INTERNAL SOURCES	1,187,726	1,160,960	922,063	740,189	665,793
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	325,750	239,102
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	500,000	250,000	250,000	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	500,000	250,000	575,750	239,102
20	OTHER SOURCES (NET)	557,139	4,622	28,172	4,089	112,977
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,744,865	$ 1,665,582	$ 1,200,235	$ 1,320,028	$ 1,017,872
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 1,644,267	$ 1,548,137	$ 704,661	$ 842,274	$ 912,391
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	1,644,267	1,548,137	704,661	842,274	912,391
28	LESS INTEREST CAPITALIZED	24,332	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,619,935	1,548,137	704,661	842,274	912,391
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	119,540	115,727	109,639	343,070	100,381
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET):	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	119,540	115,727	109,639	343,070	100,981
37	OTHER USES (NET)	5,390	1,718	385,935	134,684	4,500
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,744,865	$ 1,665,582	$ 1,200,235	$ 1,320,028	$ 1,017,872

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT

YEARS ENDING DECEMBER 31

EMPIRE TELEPHONE CORPORATION

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	740,163 $	715,284 $	632,061 $	555,384 $	531,328	1
ACCESS REVENUES		849,441					2
TOLL REVENUES		1,632,382	2,455,214	2,172,478	1,879,608	1,800,903	3
MISCELLANEOUS REVENUES		237,195	84,601	83,966	91,387	51,287	4
UNCOLLECTIBLE REVENUES-DR		25,040	13,014	12,709	3,464	8,896	5
TOTAL TELEPHONE OPERATING REVENUE	$	3,434,141 $	3,242,085 $	2,875,796 $	2,516,915 $	2,374,622	6
TELEPHONE ACCESS LINES IN SERVICE		5,680	5,686	5,437	5,715	5,316	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 130.47	$ 128.85	$ 113.35	$ 100.70	$ 101.20	8
ACCESS REVENUE		149.73					9
TOLL REVENUE		287.75	442.26	389.81	340.82	343.00	10
*YEAR END AVERAGE							
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	777,736 $	735,976 $	775,087 $	620,360 $	605,921	11
DEPRECIATION + AMORTIZATION EXPENSES		541,422	460,843	445,023	466,616	337,990	12
TRAFFIC EXPENSES		83,483	100,262	28,056	42,011	47,217	13
COMMERCIAL EXPENSES		84,621	90,764	97,303	32,061	81,749	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		328,457	327,769	291,857	325,325	289,726	16
OTHER OPERATING EXPENSES		389,078	275,114	244,080	252,595	211,721	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	2,204,797 $	1,990,728 $	1,881,406 $	1,738,968 $	1,574,423	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	10,523,787 $	9,782,611 $	8,770,504 $	8,276,311 $	7,842,279	19
PLANT UNDER CONSTRUCTION		1,037,180	332,304	196,929	426,980	133,532	20
PROPERTY HELD FOR FUTURE USE		-	-	-			21
PLANT ACQUISITION ADJUSTMENTS		274,984	274,984	274,984	274,984	274,984	22
PLANT ADJUSTMENTS		142,837	142,837	142,837	142,837	142,837	23
TOTAL TELEPHONE UTILITY PLANT		11,978,788	10,532,736	9,385,254	9,121,112	8,393,632	24
ACCUMULATED PROVISION FOR DEPR+AMORT		3,738,599	3,268,439	3,132,575	2,994,894	2,573,962	25
NET TELEPHONE PLANT	$	8,240,189 $	7,264,297 $	6,252,679 $	6,126,218 $	5,819,670	26
PLANT IN SERVICE BEGINNING OF YEAR	$	9,782,611 $	8,770,504 $	8,276,311 $	7,842,279 $	7,006,209	27
ADDITIONS		939,411	1,412,782	934,712	548,826	970,198	28
RETIREMENTS		198,235	398,540	444,427	111,767	132,859	29
TRANSFERS AND ADJUSTMENTS		-	2,115-	3,908	3,027-	1,269-	30
PLANT IN SERVICE END OF YEAR	$	10,523,787 $	9,782,611 $	8,770,504 $	8,276,311 $	7,842,279	31

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MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

EMPIRE TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 3,434,141	$ 3,242,085	$ 2,875,796	$ 2,516,915	$ 2,374,622
2	ACCESS LINES (AVERAGE*)	5,673	5,552	5,576	5,515	5,251
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 955,671	$ 834,039	$ 810,394	$ 857,148	$ 785,021
4	OTHER OPERATION AND MAINTENANCE EXPENSES	717,010	698,006	622,637	484,619	465,386
5	DEPRECIATION AND AMORTIZATION EXPENSES	541,422	460,843	445,023	466,616	337,390
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	271,901	295,639	235,841	58,439	191,918
8	OTHER TAXES - OPERATING	432,564	342,051	346,154	288,698	255,804
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	251,627	264,402	214,941	175,623	158,525
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	4,006	4,249	4,249	4,249	4,249
11	EARNINGS AVAILABLE FOR COMMON EQUITY	259,940	342,856	196,557	171,525	175,129
12	TOTAL	$ 3,434,141	$ 3,242,085	$ 2,875,796	$ 2,516,915	$ 2,374,622
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	27.8	25.7	28.2	34.1	33.1
14	OTHER OPERATION AND MAINTENANCE EXPENSES	20.6	21.5	21.7	19.3	19.6
15	DEPRECIATION AND AMORTIZATION EXPENSES	15.8	14.2	15.5	18.5	14.2
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	7.9	9.1	8.2	2.7	8.1
18	OTHER TAXES - OPERATING	12.6	10.6	12.0	11.5	10.8
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.3	8.2	7.5	7.0	6.7
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.1	0.1	0.1	0.2	0.2
21	EARNINGS AVAILABLE FOR COMMON EQUITY	7.6	10.6	6.8	6.8	7.4
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 14.04	$ 12.52	$ 12.11	$ 12.95	$ 12.46
24	OTHER OPERATION AND MAINTENANCE EXPENSES	10.53	10.48	9.31	7.32	7.40
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.95	6.92	6.65	7.05	5.36
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	3.99	4.44	3.52	1.03	3.05
28	OTHER TAXES - OPERATING	6.35	5.13	5.17	4.36	4.06
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.70	3.97	3.21	2.65	2.52
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.06	0.06	0.06	0.06	0.07
31	EARNINGS AVAILABLE FOR COMMON EQUITY	3.82	5.15	2.94	2.59	2.78
32	TOTAL	$ 50.45	$ 48.67	$ 42.98	$ 38.03	$ 37.69

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

THE FISHERS ISLAND TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
			ASSETS AND OTHER DEBITS			
1	TELEPHONE PLANT	$ 637,009	$ 607,412	$ 578,713	$ 544,607	$ 514,734
2	ACCUMULATED PROVISION FOR DEPR+AMORT	336,451	323,740	292,589	262,886	244,586
3	NET TELEPHONE PLANT	300,558	283,671	286,123	281,721	270,147
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	-	-	-	-	-
9	CASH AND WORKING FUNDS	39,329	18,428	55,190	46,487	49,393
10	SPECIAL CASH DEPOSITS	147,056	179,804	128,943	80,000	50,000
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	9,384	17,223	-	-	-
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	42,494	56,141	49,624	40,925	36,078
15	MATERIALS AND SUPPLIES*	8,897	9,817	12,050	11,330	16,956
16	PREPAYMENTS	5,168	389	1,291	91	-
17	OTHER CURRENT AND ACCRUED ASSETS	2,986	1,125	2,526	833	304
18	TOTAL CURRENT AND ACCRUED ASSETS	255,315	282,928	249,625	179,666	152,733
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	-	-	-	-	-
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	-	-	-
23	TOTAL DEFERRED DEBITS	-	-	-	-	-
24	TOTAL ASSETS AND OTHER DEBITS	555,875	$ 566,600	$ 535,749	$ 461,387	$ 422,880
			LIABILITIES AND OTHER CREDITS			
25	COMMON CAPITAL STOCK	$ 78,518	$ 78,518	$ 78,518	$ 78,518	$ 78,518
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	369,407	387,070	395,260	344,466	303,435
34	TOTAL PROPRIETARY CAPITAL	447,925	465,588	473,778	422,984	381,953
35	BONDS(LESS BONDS REACQUIRED)	-	-	-	-	-
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	-	-	-	-	-
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	5,970	4,623	4,613	3,646	3,007
40	OTHER NOTES AND ACCOUNTS PAYABLE	39,440	32,240	21,615	12,078	11,966
41	CUSTOMERS' DEPOSITS	610	450	1,510	875	1,008
42	ADVANCE BILLING AND PAYMENTS	-	18,691	19,111	14,959	15,670
43	TAXES ACCRUED	8,253	30,081	14,554	6,303	8,627
44	OTHER CURRENT AND ACCRUED LIABILITIES	4,550	14,924	565	542	649
45	TOTAL CURRENT AND ACCRUED LIABILITIES	58,824	101,012	61,970	38,403	40,927
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	-	-	-	-	-
48	OTHER DEFERRED CREDITS	29,956	-	-	-	-
49	TOTAL DEFERRED CREDITS	29,956	-	-	-	-
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	19,168	-	-	-	-
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 555,875	$ 566,600	$ 535,749	$ 461,387	$ 422,880
			SELECTED BALANCE SHEET RELATIONSHIPS			
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	1.54	1.74	1.79	2.02	2.28
54	CURRENT ASSETS/CURRENT LIABILITIES	4.34	2.80	4.03	4.68	3.73
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	-	-	-	-	-
56	PREFERRED STOCK	-	-	-	-	-
57	COMMON STOCK+OTHER PAID-IN CAPITAL	17.5	16.8	16.5	18.5	20.5
58	RETAINED EARNINGS	82.4	83.1	83.4	81.4	79.4
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	-	-	-	-	-
60	PERCENT OF NET TELEPHONE PLANT	-	-	-	-	-
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	52.8	53.2	50.5	48.2	47.5

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

THE FISHERS ISLAND TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 403,223	$ 340,470	$ 313,132	$ 261,657	$ 217,857	1
OPERATION AND MAINTENANCE EXPENSE	203,784	160,598	191,344	161,653	133,260	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	31,604	31,190	29,703	25,988	23,648	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	30,804	21,849	20,190	16,714	16,651	6
INCOME TAXES-OPERATING	32,599	36,056	14,303	11,503	9,724	7
OPERATING INCOME TAXES DEFERRED	2,040	-	-	-	-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	300,834	249,693	255,541	215,858	183,284	10
TOTAL TELEPHONE OPERATING INCOME	102,389	90,777	57,591	45,799	34,573	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	12,514	14,823	9,904	9,335	8,989	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	24,913	25,770	480	1,010	7,017	17
TOTAL OTHER INCOME	37,427	40,593	10,385	10,345	16,006	18
TOTAL INCOME	139,816	131,370	67,976	56,144	50,579	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	38,676	39,419	100	-	-	22
TOTAL INCOME DEDUCTIONS	38,676	39,419	100	-	-	23
INCOME BEFORE INTEREST CHARGES	101,140	91,951	67,876	56,144	50,579	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	-	-	-	-	-	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	-	-	-	-	-	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	1,674	141	81	114	67	29
TOTAL INTEREST CHARGES	1,674	141	81	114	67	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	99,466	91,809	67,794	56,030	50,511	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 99,466	$ 91,809	$ 67,794	$ 56,030	$ 50,511	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 387,070	$ 395,260	$ 344,465	$ 303,435	$ 267,923	37
BALANCE TRANSFERRED FROM INCOME	99,466	91,809	67,794	56,030	50,511	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	17,129	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	100,000	100,000	17,000	15,000	15,000	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	369,407	387,070	395,260	344,465	303,435	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 369,407	$ 387,070	$ 395,260	$ 344,465	$ 303,435	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	50.5	47.1	61.1	61.7	61.1	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	7.8	9.1	9.4	9.9	10.8	49
TOTAL INCOME TAXES-OPERATING	8.6	10.6	4.6	4.4	4.5	50
OTHER TAXES-OPERATING	7.6	6.4	6.4	6.3	7.6	51
TOTAL OPERATING EXPENSES	74.6	73.3	81.6	82.4	84.1	52
OPERATING INCOME	25.3	26.6	18.3	17.5	15.8	53
DEPR. AND AMORT % OF TELEPHONE PLANT	4.9	5.1	5.1	4.7	4.5	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	0.4	-	-	-	-	55
PRETAX INTEREST COVERAGE	81.1	-	-	-	-	56
NET INCOME-PERCENT OF OPERATING REVENUES	24.6	26.9	21.6	21.4	23.1	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	58
TIMES EARNED	-	-	-	-	-	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	24.8	29.3	5.4	5.7	6.8	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	100.5	108.9	25.0	26.7	29.6	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	21.7	19.5	15.1	13.9	13.8	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	21.8	21.2	3.7	3.7	4.1	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

THE FISHERS ISLAND TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 99,465	$ 91,809	$ 67,794	$ 56,030	$ 50,511
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	31,604	31,150	29,703	25,988	23,648
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	-	-	-	-	-
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET):	49,125	-	-	-	-
6					-	-
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	180,195	122,959	97,498	82,018	74,159
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	180,195	122,959	97,498	82,018	74,159
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	100,000	100,000	17,000	15,000	15,000
12	NET FUNDS FROM INTERNAL SOURCES	80,195	22,959	80,498	67,018	59,159
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET):	-	-	-	-	-
18				-	-	-
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	-
20	OTHER SOURCES (NET):	34,737	5,739	-	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 114,932	$ 28,699	$ 80,498	$ 67,018	$ 59,159
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 48,491	$ 28,699	$ 34,106	$ 37,562	$ 34,204
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	48,491	28,699	34,106	37,562	34,204
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	48,491	28,699	34,106	37,562	34,204
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	-	-	-	-
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET):	-	-	-	-	-
35				-	-	-
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	-	-	-	-
37	OTHER USES (NET):	66,441	-	46,392	29,456	24,955
38						
39						
40	TOTAL FUNDS APPLIED	$ 114,932	$ 28,699	$ 80,498	$ 67,018	$ 59,159

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

THE FISHERS ISLAND TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 69,132 $	57,948 $	57,893 $	71,341 $	54,087	1
ACCESS REVENUES	228,576					2
TOLL REVENUES	77,382	264,773	218,298	157,900	126,655	3
MISCELLANEOUS REVENUES	28,132	17,750	36,941	32,416	37,113	4
UNCOLLECTIBLE REVENUES-DR	2,309	-	-	-	-	5
TOTAL TELEPHONE OPERATING REVENUE	$ 400,913 $	340,470 $	313,132 $	261,657 $	217,857	6
TELEPHONE ACCESS LINES IN SERVICE	771	722	701	687	625	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 92.61	$ 81.44	$ 83.42	$ 108.75	$ 89.33	8
ACCESS REVENUE	306.20					9
TOLL REVENUE	103.66	372.13	314.55	240.70	209.17	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 80,487 $	55,554 $	64,381 $	57,211 $	38,087	11
DEPRECIATION + AMORTIZATION EXPENSES	31,605	31,150	29,703	25,988	23,648	12
TRAFFIC EXPENSES	41	1,237	4,810	4,798	1,489	13
COMMERCIAL EXPENSES	19,259	19,151	20,508	16,763	19,295	14
ACCESS EXPENSES	12,415	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	37,328	24,253	27,021	22,141	19,227	16
OTHER OPERATING EXPENSES	54,254	60,400	74,642	60,737	57,160	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 235,389 $	191,748 $	221,047 $	187,641 $	156,908	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 637,009 $	577,124 $	566,801 $	544,607 $	514,734	19
PLANT UNDER CONSTRUCTION	-	30,288	11,911		-	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	637,009	607,412	578,713	544,607	514,734	24
ACCUMULATED PROVISION FOR DEPR+AMORT	336,451	323,740	292,589	262,886	244,588	25
NET TELEPHONE PLANT	$ 300,558 $	283,671 $	286,123 $	281,721 $	270,147	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 577,124 $	566,801 $	544,606 $	514,734 $	480,529	27
ADDITIONS	32,047	10,322	22,195	37,562	48,466	28
RETIREMENTS	18,893	-	-	7,689	14,261	29
TRANSFERS AND ADJUSTMENTS	46,731	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 637,009 $	577,124 $	566,801 $	544,606 $	514,734	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

THE FISHERS ISLAND TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 403,223	$ 340,470	$ 313,132	$ 261,657	$ 217,857
2	ACCESS LINES (AVERAGE*)	747	712	694	656	606
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 67,021	$ 64,598	$ 50,436	$ 62,159	$ 40,426
4	OTHER OPERATION AND MAINTENANCE EXPENSES	136,763	96,000	140,908	99,494	92,834
5	DEPRECIATION AND AMORTIZATION EXPENSES	31,605	31,150	29,703	25,988	23,648
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	34,639	36,095	14,303	11,503	9,724
8	OTHER TAXES - OPERATING	30,804	21,849	20,190	16,714	16,651
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1,674	141	81	114	67
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	100,715	90,636	57,510	45,685	34,506
12	TOTAL	$ 403,223	$ 340,470	$ 313,132	$ 261,657	$ 217,857
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	16.6	19.0	16.1	23.8	18.6
14	OTHER OPERATION AND MAINTENANCE EXPENSES	33.9	28.2	45.0	38.0	42.6
15	DEPRECIATION AND AMORTIZATION EXPENSES	7.8	9.1	9.5	9.9	10.9
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	8.6	10.6	4.6	4.4	4.5
18	OTHER TAXES - OPERATING	7.6	6.4	6.4	6.4	7.6
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	0.4	-	-	-	-
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	25.0	26.6	18.4	17.5	15.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 7.48	$ 7.57	$ 6.06	$ 7.90	$ 5.56
24	OTHER OPERATION AND MAINTENANCE EXPENSES	15.27	11.24	16.92	12.64	12.78
25	DEPRECIATION AND AMORTIZATION EXPENSES	3.53	3.65	3.57	3.30	3.25
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	3.87	4.23	1.72	1.46	1.34
28	OTHER TAXES - OPERATING	3.44	2.56	2.42	2.12	2.29
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	0.19	0.02	0.01	0.01	0.01
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	11.24	10.62	6.91	5.80	4.75
32	TOTAL	$ 45.01	$ 39.88	$ 37.60	$ 33.24	$ 29.98

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

GERMANTOWN TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 2,559,743	$ 2,456,167	$ 2,397,317	$ 2,245,196	$ 2,123,468
2	ACCUMULATED PROVISION FOR DEPR+AMORT	879,341	759,147	670,108	577,877	489,916
3	NET TELEPHONE PLANT	1,680,402	1,697,020	1,727,209	1,667,319	1,633,552
4	INVESTMENTS IN AFFILIATED COMPANIES	60,444	55,971	6,677	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	25,866	16,421	8,718	-	-
8	TOTAL INVESTMENTS AND FUNDS	86,310	72,392	15,395	-	-
9	CASH AND WORKING FUNDS	282,550	179,040	129,144	97,334	84,231
10	SPECIAL CASH DEPOSITS	100	100	100	100	100
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	11,986	11,820	1,630	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	161,009	120,689	9,125	17,153	11,461
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	113,883	125,075	113,713	109,704	99,822
15	MATERIALS AND SUPPLIES*	10,135	10,880	14,254	39,337	36,963
16	PREPAYMENTS	23,105	21,866	20,725	18,226	24,987
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	602,768	469,470	288,891	281,854	257,564
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	11,436	6,045	6,279	6,513	6,747
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	25,084	10,314	10,274	2,175	2,673
23	TOTAL DEFERRED DEBITS	36,520	16,359	16,553	8,688	9,420
24	TOTAL ASSETS AND OTHER DEBITS	2,408,000	$ 2,255,241	$ 2,047,848	$ 1,957,861	$ 1,900,536
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000
26	PREFERRED CAPITAL STOCK	-	-	-	50,000	50,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	583,300	400,646	330,144	275,463	247,446
34	TOTAL PROPRIETARY CAPITAL	663,300	480,646	410,144	405,463	377,446
35	BONDS(LESS BONDS REACQUIRED)	1,336,858	1,364,138	1,390,028	1,414,696	1,438,182
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	34,000	40,000	45,000	-	-
38	TOTAL LONG-TERM DEBT	1,370,858	1,404,138	1,435,028	1,414,696	1,438,182
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	2,020	393	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	210,981	275,769	129,972	76,938	24,757
41	CUSTOMERS'DEPOSITS	570	2,800	2,450	2,190	2,120
42	ADVANCE BILLING AND PAYMENTS	6,360	5,712	5,359	6,110	4,695
43	TAXES ACCRUED	4,594-	2,579	9,394	5,206	6,210
44	OTHER CURRENT AND ACCRUED LIABILITIES	18,963	19,102	18,538	14,988	15,182
45	TOTAL CURRENT AND ACCRUED LIABILITIES	232,280	307,982	166,106	105,432	52,964
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	103,894	41,768	29,252	25,839	24,799
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	103,894	41,768	29,252	25,839	24,799
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	35,668	20,707	7,318	6,431	7,145
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 2,408,000	$ 2,255,241	$ 2,047,848	$ 1,957,861	$ 1,900,536
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.04	2.35	2.44	2.51	2.97
54	CURRENT ASSETS/CURRENT LIABILITIES	2.60	1.52	1.74	2.67	4.86
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	67.3	74.4	77.7	77.7	79.2
56	PREFERRED STOCK	-	-	-	2.7	2.7
57	COMMON STOCK+OTHER PAID-IN CAPITAL	3.9	4.2	4.3	4.3	4.4
58	RETAINED EARNINGS	28.6	21.2	17.8	15.1	13.6
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	53.5	57.1	59.8	63.0	67.7
60	PERCENT OF NET TELEPHONE PLANT	81.5	82.7	83.0	84.8	88.0
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	34.3	30.9	27.9	25.7	23.0

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

GERMANTOWN TELEPHONE COMPANY, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES $	1,230,256 $	1,033,932 $	950,412 $	868,691 $	704,488	1
OPERATION AND MAINTENANCE EXPENSE	649,773	627,398	616,775	567,123	346,429	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	136,708	106,867	101,879	95,494	83,076	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	100,219	107,002	100,981	85,665	71,830	6
INCOME TAXES-OPERATING	85,637	22,156	7,185	7,186	32,391	7
OPERATING INCOME TAXES DEFERRED	16,354	13,293	3,322	1,102	5,303	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	1,353-	98	2,435-	1,816-	5,681-	9
TOTAL OPERATING EXPENSES	987,298	876,612	827,707	754,754	533,348	10
TOTAL TELEPHONE OPERATING INCOME	242,958	157,320	122,705	113,937	171,140	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	13,149	11,393	7,409	5,785	1,892	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	1,514	7,400-	8,202	5,610	8,289	17
TOTAL OTHER INCOME	14,663	3,993	15,611	11,395	10,181	18
TOTAL INCOME	257,621	161,313	138,316	125,332	181,321	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	1,160	2,037	543-	10,315	6,338	22
TOTAL INCOME DEDUCTIONS	1,160	2,037	543-	10,315	6,338	23
INCOME BEFORE INTEREST CHARGES	256,461	159,276	138,859	115,017	174,983	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	67,423	68,826	70,057	71,249	71,947	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	234	234	234	234	234	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	14,750	16,631	12,428	2,667	185	29
TOTAL INTEREST CHARGES	82,407	85,691	82,719	74,150	72,366	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	174,054	73,585	56,140	40,867	102,617	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	12,600	917	2,541	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	5,100-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT ?	12,600	917	2,541	5,100-	-	35
NET INCOME $	186,654 $	74,502 $	58,681 $	35,767 $	102,617	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	400,646 $	330,144 $	275,463 $	247,446 $	151,829	37
BALANCE TRANSFERRED FROM INCOME	186,654	74,502	58,681	35,767	102,617	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	3,750	3,000	42
-COMMON STOCK	4,000	4,000	4,000	4,000	4,000	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	583,300	400,646	330,144	275,463	247,446	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR $	583,300 $	400,646 $	330,144 $	275,463 $	247,446	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	52.8	60.6	64.8	65.2	49.1	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	11.1	10.3	10.7	10.9	11.7	49
TOTAL INCOME TAXES-OPERATING	8.2	3.4	0.8	0.7	4.5	50
OTHER TAXES-OPERATING	8.1	10.3	10.6	9.8	10.1	51
TOTAL OPERATING EXPENSES	80.2	84.7	87.0	86.8	75.7	52
OPERATING INCOME	19.7	15.2	12.9	13.1	24.2	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.3	4.3	4.2	4.2	3.9	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	6.7	8.3	8.7	8.5	10.3	55
PRETAX INTEREST COVERAGE	4.2	2.2	1.7	1.6	2.7	56
NET INCOME-PERCENT OF OPERATING REVENUES	15.1	7.2	6.1	4.1	14.5	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	0.4	0.4	58
TIMES EARNED	-	-	-	9.5	34.2	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	0.3	0.3	0.4	0.4	0.5	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	2.1	5.3	6.8	12.4	4.0	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	32.6	16.7	15.3	9.3	35.6	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	0.6	0.8	1.0	1.1	1.4	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

GERMANTOWN TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 174,054	$ 73,585	$ 56,140	$ 40,867	$ 102,617
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	147,540	120,311	115,029	106,840	95,141
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	77,087	25,905	4,300	326	22,246
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET):	-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	398,681	219,801	175,469	148,033	220,004
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	12,600	917	2,541	5,100-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	411,281	220,718	178,010	142,933	220,004
10	LESS DIVIDENDS: PREFERRED	-	-	-	3,750	3,000
11	COMMON	4,000	4,000	4,000	4,000	4,000
12	NET FUNDS FROM INTERNAL SOURCES	407,281	216,718	174,010	135,183	213,004
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	50,000	-	23,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	61,942	-	50,743	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	61,942	50,000	50,743	23,000
20	OTHER SOURCES (NET):	3,959	5,319	79,985	11,259	3,814
21						
22						
23	TOTAL FUNDS PROVIDED	$ 411,240	$ 283,979	$ 303,995	$ 197,185	$ 239,818
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 130,651	$ 88,433	$ 179,027	$ 142,599	$ 81,777
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	130,651	88,433	179,027	142,599	81,777
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	130,651	88,433	179,027	142,599	81,777
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	27,280	25,890	24,668	23,486	19,751
31	PREFERRED STOCK	-	-	50,000	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	8,652	-	15,521	-	-
34	OTHER (NET):	6,000	5,000	5,000	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	41,932	30,890	95,189	23,486	19,751
37	OTHER USES (NET):	238,657	164,656	29,779	31,100	138,290
38						
39						
40	TOTAL FUNDS APPLIED	$ 411,240	$ 283,979	$ 303,995	$ 197,185	$ 239,818

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

GERMANTOWN TELEPHONE COMPANY, INC

TELEPHONE OPERATING REVENUES

ITEM		1985	1984	1983	1982	1981	LINE NO
OPERATING REVENUES							
LOCAL REVENUES	$	348,679 $	282,103 $	244,633 $	232,237 $	221,346	1
ACCESS REVENUES		489,348					2
TOLL REVENUES		283,631	750,820	694,233	619,978	463,091	3
MISCELLANEOUS REVENUES		123,104	33,345	26,877	32,224	24,802	4
UNCOLLECTIBLE REVENUES-DR		14,508	12,336	15,331	15,748	4,751	5
TOTAL TELEPHONE OPERATING REVENUE	$	1,230,256 $	1,033,932 $	950,412 $	868,691 $	704,488	6
TELEPHONE ACCESS LINES IN SERVICE		1,735	1,706	1,645	1,643	1,647	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 202.66	$ 156.43	$ 148.80	$ 141.18	$ 137.27	8
ACCESS REVENUE		284.42					9
TOLL REVENUE		164.85	448.12	422.28	376.89	287.19	10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM		1985	1984	1983	1982	1981	LINE NO
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	212,802 $	218,000 $	202,008 $	208,543 $	110,411	11
DEPRECIATION + AMORTIZATION EXPENSES		136,708	106,667	101,879	95,494	83,076	12
TRAFFIC EXPENSES		23,081	26,042	9,078	9,040	8,348	13
COMMERCIAL EXPENSES		61,016	57,109	56,463	50,163	33,176	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		202,558	183,299	177,193	153,856	96,978	16
OTHER OPERATING EXPENSES		150,517	142,948	172,033	145,521	97,516	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	786,482 $	734,065 $	718,654 $	662,617 $	429,505	18

TELEPHONE UTILITY PLANT

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	2,559,743 $	2,456,167 $	2,298,171 $	2,216,735 $	2,123,468	19
PLANT UNDER CONSTRUCTION		-	-	99,146	28,461	-	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-		23
TOTAL TELEPHONE UTILITY PLANT		2,559,743	2,456,167	2,397,317	2,245,196	2,123,468	24
ACCUMULATED PROVISION FOR DEPR+AMORT		879,341	759,147	670,108	577,877	489,916	25
NET TELEPHONE PLANT	$	1,680,402 $	1,697,020 $	1,727,209 $	1,667,319 $	1,633,552	26
PLANT IN SERVICE BEGINNING OF YEAR	$	2,456,167 $	2,298,171 $	2,216,735 $	2,123,468 $	2,047,658	27
ADDITIONS		130,651	187,884	108,342	114,138	95,547	28
RETIREMENTS		27,075	29,888	26,906	20,871	19,737	29
TRANSFERS AND ADJUSTMENTS		-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$	2,559,743 $	2,456,167 $	2,298,171 $	2,216,735 $	2,123,468	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

GERMANTOWN TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,230,256	$ 1,033,932	$ 950,412	$ 868,691	$ 704,488
2	ACCESS LINES (AVERAGE*)	1,721	1,678	1,644	1,645	1,613
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 354,386	$ 323,357	$ 287,875	$ 254,706	$ 152,416
4	OTHER OPERATION AND MAINTENANCE EXPENSES	295,408	304,041	328,900	312,417	194,013
5	DEPRECIATION AND AMORTIZATION EXPENSES	136,708	108,687	101,879	95,494	83,076
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	100,598	35,545	8,072	6,472	32,013
8	OTHER TAXES - OPERATING	100,219	107,002	100,981	85,665	71,830
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	82,407	85,691	82,719	74,150	72,366
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	3,750	3,000
11	EARNINGS AVAILABLE FOR COMMON EQUITY	160,551	71,629	39,986	36,037	35,774
12	TOTAL	$ 1,230,256	$ 1,033,932	$ 950,412	$ 868,691	$ 704,488
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	28.8	31.3	30.3	29.3	21.6
14	OTHER OPERATION AND MAINTENANCE EXPENSES	24.0	29.4	34.6	36.0	27.5
15	DEPRECIATION AND AMORTIZATION EXPENSES	11.1	10.3	10.7	11.0	11.8
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	8.2	3.4	0.8	0.7	4.5
18	OTHER TAXES - OPERATING	8.1	10.3	10.6	9.9	10.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	6.7	8.3	8.7	8.5	10.3
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	0.4	0.4
21	EARNINGS AVAILABLE FOR COMMON EQUITY	13.1	6.9	4.2	4.1	13.6
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 17.16	$ 16.08	$ 14.59	$ 12.90	$ 7.88
24	OTHER OPERATION AND MAINTENANCE EXPENSES	14.31	15.12	16.67	15.83	10.03
25	DEPRECIATION AND AMORTIZATION EXPENSES	6.62	5.31	5.16	4.84	4.29
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	4.87	1.77	0.41	0.33	1.65
28	OTHER TAXES - OPERATING	4.85	5.32	5.12	4.34	3.71
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.99	4.28	4.19	3.78	3.74
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	0.19	0.16
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.78	3.56	2.03	1.83	4.95
32	TOTAL	$ 59.59	$ 51.42	$ 48.18	$ 44.01	$ 36.41

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

HANCOCK TELEPHONE COMPANY, THE

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 2,416,284	$ 2,080,778	$ 1,990,097	$ 1,833,571	$ 1,685,549
2	ACCUMULATED PROVISION FOR DEPR+AMORT	946,385	823,483	696,941	572,746	493,258
3	NET TELEPHONE PLANT	1,469,899	1,257,295	1,293,156	1,260,825	1,192,291
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	9,710	7,422	5,749	-	-
7	OTHER INVESTMENTS AND FUNDS	40,800	35,800	32,800	32,800	32,800
8	TOTAL INVESTMENTS AND FUNDS	50,510	43,222	38,549	32,800	32,800
9	CASH AND WORKING FUNDS	949	423	4,280	13,220	60,548
10	SPECIAL CASH DEPOSITS	115,655	44,452	105,781	32,832	-
11	TEMPORARY CASH INVESTMENTS	-	182,303	-	40,000	60,000
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	102,114	116,133	38,904	20,341	14,609
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	93,924	85,800	61,646	64,008	63,402
15	MATERIALS AND SUPPLIES*	29,513	31,634	27,935	23,598	16,144
16	PREPAYMENTS	40,229	44,303	49,086	20,736	18,255
17	OTHER CURRENT AND ACCRUED ASSETS	15,211	12,916	11,711	10,011	8,394
18	TOTAL CURRENT AND ACCRUED ASSETS	397,595	517,964	299,343	224,746	241,352
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	9,806	10,192	10,577	10,962	11,347
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	2,414	4,072	5,696	6,545	10,020
23	TOTAL DEFERRED DEBITS	12,220	14,264	16,273	17,507	21,367
24	TOTAL ASSETS AND OTHER DEBITS	1,930,224	$ 1,832,745	$ 1,647,321	$ 1,535,878	$ 1,487,810
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	552,501	466,223	396,333	374,002	313,788
34	TOTAL PROPRIETARY CAPITAL	612,501	526,223	456,333	434,002	373,788
35	BONDS(LESS BONDS REACQUIRED)	999,389	1,013,876	1,069,165	1,002,748	1,014,516
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	81,079	70,017	-	-	-
38	TOTAL LONG-TERM DEBT	1,080,468	1,083,893	1,069,165	1,002,748	1,014,516
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	84,437	93,752	14,740	3,453	9,332
41	CUSTOMERS' DEPOSITS	2,734	7,934	7,235	7,024	7,919
42	ADVANCE BILLING AND PAYMENTS	13,335	13,170	11,435	11,560	11,810
43	TAXES ACCRUED	4,559	7,592	7,377	491	6,629
44	OTHER CURRENT AND ACCRUED LIABILITIES	10,184	9,397	9,613	8,780	9,302
45	TOTAL CURRENT AND ACCRUED LIABILITIES	115,249	131,845	50,400	31,308	44,992
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	105,319	64,064	44,906	43,884	35,953
48	OTHER DEFERRED CREDITS	2,175	1,122	288	-	-
49	TOTAL DEFERRED CREDITS	107,494	65,186	45,194	43,884	35,953
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	34,512	25,598	26,229	23,936	18,561
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,930,224	$ 1,832,745	$ 1,647,321	$ 1,535,878	$. 1,487,810
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.56	2.39	2.72	2.86	2.71
54	CURRENT ASSETS/CURRENT LIABILITIES	3.45	3.93	5.94	7.18	5.36
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	63.3	67.3	70.0	69.7	73.0
56	PREFERRED STOCK	-	-	-	-	-
57	COMMON STOCK+OTHER PAID-IN CAPITAL	3.5	3.7	3.9	4.1	4.3
58	RETAINED EARNINGS	33.0	28.9	25.9	26.0	22.6
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	43.8	52.0	53.7	54.6	60.1
60	PERCENT OF NET TELEPHONE PLANT	72.1	86.2	82.6	79.5	85.0
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	39.1	39.5	35.0	31.2	29.2

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

HANCOCK TELEPHONE COMPANY, THE

ITEM	1985	1984	1983	1982	1981	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 877,385 $	851,056 $	703,307 $	616,604 $	614,671	1
OPERATION AND MAINTENANCE EXPENSE	450,729	471,315	404,382	314,429	286,227	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	133,363	132,283	120,470	89,702	73,598	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	88,545	95,213	83,851	70,594	63,539	6
INCOME TAXES-OPERATING	43,325	19,192	1,022	7,931	31,886	7
OPERATING INCOME TAXES DEFERRED	222-	2,472	3,298	5,272	4,063	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	9,136	3,103-	1,003-	103	1,940-	9
TOTAL OPERATING EXPENSES	724,876	717,372	612,018	488,031	457,353	10
TOTAL TELEPHONE OPERATING INCOME	152,509	133,684	91,289	128,573	157,318	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	15,462	16,589	9,149	10,577	4,034	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	215-	1,015-	-	-	-	16
MISCELLANEOUS INCOME	9,109	5,985	1,728	605	252	17
TOTAL OTHER INCOME	24,356	21,559	10,877	11,182	4,286	18
TOTAL INCOME	176,865	155,243	102,166	139,755	161,604	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	3,735	1,723	830	913	930	22
TOTAL INCOME DEDUCTIONS	3,735	1,723	830	913	930	23
INCOME BEFORE INTEREST CHARGES	173,130	153,520	101,336	138,842	160,674	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	70,772	71,700	67,138	67,089	67,814	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	385	385	385	385	385	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	282	745	682	954	711	29
TOTAL INTEREST CHARGES	71,439	72,830	68,205	68,428	68,910	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	101,691	80,690	33,131	70,414	91,764	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	4,790	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	2,203	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	2,587	-	-	-	-	35
NET INCOME	$ 104,278 $	80,690 $	33,131 $	70,414 $	91,764	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 466,223 $	398,333 $	374,002 $	313,788 $	230,424	37
BALANCE TRANSFERRED FROM INCOME	104,278	80,690	33,131	70,414	91,764	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	18,000	10,800	10,800	10,200	8,400	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	552,501	466,223	398,333	374,002	313,788	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 552,501 $	466,223 $	398,333 $	374,002 $	313,788	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	51.3	55.3	57.4	50.9	46.5	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	15.2	15.5	17.1	14.5	11.9	49
TOTAL INCOME TAXES-OPERATING	6.0	2.2	0.5	2.2	5.5	50
OTHER TAXES-OPERATING	10.0	11.1	11.9	11.4	10.3	51
TOTAL OPERATING EXPENSES	82.6	84.2	87.0	79.1	74.4	52
OPERATING INCOME	17.3	15.7	12.9	20.8	25.5	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.5	6.3	6.0	4.8	4.3	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	8.1	8.6	9.7	11.1	11.2	55
PRETAX INTEREST COVERAGE	3.2	2.4	1.5	2.2	2.8	56
NET INCOME-PERCENT OF OPERATING REVENUES	11.8	9.4	4.7	11.4	14.9	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	58
TIMES EARNED	-	-	-	-	-	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	2.0	1.2	1.5	1.6	1.3	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	17.2	13.3	32.5	14.4	9.1	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	18.3	18.4	7.4	17.4	27.6	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	3.1	2.1	2.4	2.5	2.5	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

HANCOCK TELEPHONE COMPANY, THE

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 101,691	$ 80,690	$ 33,131	$ 70,414	$ 91,764
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	147,620	153,709	139,198	103,666	85,813
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	50,169	18,527	3,315	13,306	30,721
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET):	1,053	834	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	300,533	253,760	175,644	187,386	208,298
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	2,587	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	303,120	253,760	175,644	187,386	208,298
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	18,000	10,800	10,800	10,200	8,400
12	NET FUNDS FROM INTERNAL SOURCES	285,120	242,960	164,844	177,186	199,898
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	37,000	80,445	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	37,000	80,445	-	-
20	OTHER SOURCES (NET):	127,082	8,924	5,721	14,965	17,445
21						
22						
23	TOTAL FUNDS PROVIDED	$ 412,202	$ 288,884	$ 251,010	$ 192,151	$ 217,343
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 381,489	$ 119,623	$ 174,366	$ 177,684	$ 67,304
25	NON-UTILITY PLANT	2,288	1,673	5,749	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	383,777	121,296	180,115	177,684	67,304
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	383,777	121,296	180,115	177,684	67,304
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	23,425	22,272	14,028	11,768	11,068
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET):	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	23,425	22,272	14,028	11,768	11,068
37	OTHER USES (NET):	5,000	145,316	56,867	2,699	138,971
38						
39						
40	TOTAL FUNDS APPLIED	$ 412,202	$ 288,884	$ 251,010	$ 192,151	$ 217,343

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

HANCOCK TELEPHONE COMPANY, THE

ITEM		1985	1984	1983	1982	1981	LINE NO
			TELEPHONE OPERATING REVENUES				
OPERATING REVENUES							
LOCAL REVENUES	$	236,524 $	232,038 $	213,583 $	212,172 $	212,001	1
ACCESS REVENUES		262,248					2
TOLL REVENUES		279,209	595,474	481,708	393,872	389,068	3
MISCELLANEOUS REVENUES		100,004	24,146	14,016	19,560	19,602	4
UNCOLLECTIBLE REVENUES-DR		600	600	6,000	9,000	6,000	5
TOTAL TELEPHONE OPERATING REVENUE	$	877,385 $	851,058 $	703,307 $	616,604 $	614,671	6
TELEPHONE ACCESS LINES IN SERVICE		1,298	1,262	1,254	1,260	1,271	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 184.93	$ 184.45	$ 169.91	$ 167.66	$ 171.38	8
ACCESS REVENUE		205.04					9
TOLL REVENUE		218.30	473.35	383.22	311.24	314.53	10
*YEAR END AVERAGE							
			TELEPHONE OPERATION AND MAINTENANCE EXPENSES				
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	100,810 $	101,835 $	104,895 $	84,344 $	72,143	11
DEPRECIATION + AMORTIZATION EXPENSES		133,363	132,283	120,470	89,702	73,598	12
TRAFFIC EXPENSES		26,016	30,109	5,808	5,566	6,540	13
COMMERCIAL EXPENSES		33,452	39,156	34,145	30,215	24,799	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		167,854	185,608	129,914	120,489	98,573	16
OTHER OPERATING EXPENSES		122,597	114,608	129,620	73,815	84,172	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	584,092 $	603,598 $	524,852 $	404,131 $	359,825	18
			TELEPHONE UTILITY PLANT				
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	2,286,692 $	1,974,531 $	1,899,635 $	1,757,197 $	1,603,350	19
PLANT UNDER CONSTRUCTION		55,648	31,493	14,898	-	3,472	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		1,485	2,295	3,105	3,915	4,725	22
PLANT ADJUSTMENTS		72,459	72,459	72,459	72,459	74,002	23
TOTAL TELEPHONE UTILITY PLANT		2,416,284	2,080,778	1,990,097	1,833,571	1,685,549	24
ACCUMULATED PROVISION FOR DEPR+AMORT		946,385	823,483	696,941	572,746	493,258	25
NET TELEPHONE PLANT	$	1,469,899 $	1,257,295 $	1,293,156 $	1,260,825 $	1,192,291	26
PLANT IN SERVICE BEGINNING OF YEAR	$	1,974,531 $	1,899,635 $	1,757,197 $	1,603,350 $	1,557,204	27
ADDITIONS		357,334	103,028	159,649	181,156	73,514	28
RETIREMENTS		45,173	28,132	17,030	27,309	27,368	29
TRANSFERS AND ADJUSTMENTS		-	-	181-	-	-	30
PLANT IN SERVICE END OF YEAR	$	2,286,692 $	1,974,531 $	1,899,635 $	1,757,197 $	1,603,350	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

HANCOCK TELEPHONE COMPANY, THE

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 877,385	$ 851,056	$ 703,307	$ 618,604	$ 614,671
2	ACCESS LINES (AVERAGE*)	1,279	1,258	1,257	1,266	1,237
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 239,164	$ 252,637	$ 245,906	$ 188,815	$ 172,480
4	OTHER OPERATION AND MAINTENANCE EXPENSES	211,566	218,678	158,476	127,614	113,747
5	DEPRECIATION AND AMORTIZATION EXPENSES	133,383	132,283	120,470	89,702	73,598
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	52,239	18,561	3,315	13,306	33,989
8	OTHER TAXES - OPERATING	88,545	95,213	83,851	70,594	63,539
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	71,439	72,830	68,205	68,428	68,910
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	81,070	60,854	23,084	60,145	88,408
12	TOTAL	$ 877,385	$ 851,056	$ 703,307	$ 618,604	$ 614,671
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	27.3	29.7	35.0	30.3	28.1
14	OTHER OPERATION AND MAINTENANCE EXPENSES	24.1	25.7	22.5	20.7	18.5
15	DEPRECIATION AND AMORTIZATION EXPENSES	15.2	15.5	17.1	14.5	12.0
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	6.0	2.2	0.5	2.2	5.5
18	OTHER TAXES - OPERATING	10.1	11.2	11.9	11.4	10.3
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.1	8.6	9.7	11.1	11.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.2	7.2	3.3	9.8	14.4
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 15.58	$ 16.74	$ 16.30	$ 12.30	$ 11.62
24	OTHER OPERATION AND MAINTENANCE EXPENSES	13.78	14.49	10.51	8.40	7.66
25	DEPRECIATION AND AMORTIZATION EXPENSES	8.69	8.76	7.99	5.91	4.96
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	3.40	1.23	0.22	0.88	2.29
28	OTHER TAXES - OPERATING	5.77	6.31	5.56	4.65	4.28
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.65	4.82	4.52	4.51	4.64
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	5.28	4.03	1.53	3.96	5.96
32	TOTAL	$ 57.17	$ 56.38	$ 46.63	$ 40.60	$ 41.41

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

HIGHLAND TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 63,835,406	$ 58,530,772	$ 52,531,561	$ 49,353,431	$ 46,378,231
2	ACCUMULATED PROVISION FOR DEPR+AMORT	16,676,775	16,645,247	17,600,414	15,104,218	13,990,946
3	NET TELEPHONE PLANT	47,158,631	41,885,525	34,931,147	34,249,213	32,387,285
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	71,407	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	8,000	8,000
8	TOTAL INVESTMENTS AND FUNDS	71,407	-	-	8,000	8,000
9	CASH AND WORKING FUNDS	209,590	273,892	3,994	1,475	37,395
10	SPECIAL CASH DEPOSITS	1,000	28,459	1,000	18,170	44,116
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	131,986	62,773	14,348	7,255	38,847
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	678,016	578,623	533,152	184,468	221,326
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	3,319,176	3,317,885	3,795,721	2,771,591	2,330,328
15	MATERIALS AND SUPPLIES*	1,295,421	1,085,806	1,043,941	978,730	834,160
16	PREPAYMENTS	535,798	499,680	616,827	471,971	444,433
17	OTHER CURRENT AND ACCRUED ASSETS	-	192,046	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	6,170,985	6,039,144	6,008,983	4,433,660	3,950,605
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	170,699	186,690	202,844	114,313	125,194
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	662,080	896,317	506,456	560,650	112,371
23	TOTAL DEFERRED DEBITS	832,779	1,083,007	709,300	674,963	237,565
24	TOTAL ASSETS AND OTHER DEBITS	54,233,802	$ 49,007,676	$ 41,649,430	$ 39,365,836	$ 36,583,455
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 2,280,411	$ 2,280,411	$ 2,280,411	$ 2,280,411	$ 2,280,411
26	PREFERRED CAPITAL STOCK	2,573,400	2,581,400	2,589,400	2,597,400	2,605,400
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	688,593	688,593	688,593	688,593	688,593
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	7,000,000	7,000,000	3,500,000	3,500,000	3,500,000
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	13,098,808	11,590,794	10,580,792	9,581,878	8,775,001
34	TOTAL PROPRIETARY CAPITAL	25,641,212	24,141,198	19,639,196	18,648,282	17,849,405
35	BONDS(LESS BONDS REACQUIRED)	13,005,000	13,137,500	13,878,000	12,448,500	12,448,500
36	ADVANCES FROM AFFILIATED COMPANIES	1,500,000	1,600,000	2,000,000	3,050,000	575,000
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	14,505,000	14,737,500	15,878,000	15,498,500	13,023,500
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	1,410,999	1,827,207	153,833	337,063	284,517
40	OTHER NOTES AND ACCOUNTS PAYABLE	4,762,331	2,017,895	554,163	818,620	1,508,656
41	CUSTOMERS'DEPOSITS	179,446	167,993	164,584	176,176	169,439
42	ADVANCE BILLING AND PAYMENTS	209,145	219,624	121,562	208,498	168,702
43	TAXES ACCRUED	302,324	478,544	936,432	187,013	566,609
44	OTHER CURRENT AND ACCRUED LIABILITIES	898,036	995,244	775,920	622,562	685,388
45	TOTAL CURRENT AND ACCRUED LIABILITIES	7,762,281	5,704,507	2,706,494	2,349,932	3,383,371
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	2,667,070	1,922,070	1,289,670	1,056,870	840,570
48	OTHER DEFERRED CREDITS	35,931	16,593	62	1,343	8,501
49	TOTAL DEFERRED CREDITS	2,703,001	1,938,663	1,289,732	1,058,213	849,071
50	OPERATING RESERVES	50,000	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	3,572,308	2,485,808	2,136,008	1,810,909	1,478,108
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 54,233,802	$ 49,007,676	$ 41,649,430	$ 39,365,836	$ 36,583,455
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.40	2.39	2.40	2.70	2.75
54	CURRENT ASSETS/CURRENT LIABILITIES	0.79	1.06	2.22	1.89	1.17
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	36.1	37.9	44.7	45.3	42.1
56	PREFERRED STOCK	6.4	6.6	7.2	7.6	8.4
57	COMMON STOCK+OTHER PAID-IN CAPITAL	24.8	25.6	18.2	18.9	20.9
58	RETAINED EARNINGS	32.6	29.8	29.7	28.0	28.4
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	22.7	25.1	30.2	31.4	28.0
60	PERCENT OF NET TELEPHONE PLANT	30.7	35.1	45.4	45.2	40.2
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	26.1	28.4	33.5	30.6	30.1

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

HIGHLAND TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 25,480,452	$ 23,219,676	$ 21,210,224	$ 17,736,174	$ 16,421,621	1
OPERATION AND MAINTENANCE EXPENSE	10,518,894	9,461,803	8,976,775	7,963,681	7,002,416	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	4,471,906	4,205,817	3,480,559	2,381,506	2,268,184	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	2,634,592	2,867,034	2,674,940	2,187,953	2,031,134	6
INCOME TAXES-OPERATING	2,026,399	2,248,701	1,883,973	1,111,401	1,363,264	7
OPERATING INCOME TAXES DEFERRED	1,148,600	576,400	567,900	463,400	298,100	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	211,000-	226,600-	242,800-	130,600-	96,600-	9
TOTAL OPERATING EXPENSES	20,589,391	19,133,155	17,341,347	13,977,341	12,866,498	10
TOTAL TELEPHONE OPERATING INCOME	4,891,061	4,086,521	3,868,877	3,758,833	3,555,123	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	-	363	15	-	3,813	13
ALLOWANCE FOR CONSTRUCTION FUNDS	200,456	155,073	61,831	62,813	38,993	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	357,976	333,035	71,582	107,379	109,000	17
TOTAL OTHER INCOME	558,432	488,471	133,428	170,192	151,806	18
TOTAL INCOME	5,449,493	4,574,992	4,002,305	3,929,025	3,706,929	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	16,432	21,790	36,231	-	-	20
INCOME TAXES-NONOPERATING	39,749	60,285	52,357-	30,402-	24,291-	21
MISCELLANEOUS INCOME CHARGES	29,085	28,053	41,285	19,372	56,619	22
TOTAL INCOME DEDUCTIONS	85,266	110,128	25,159	11,030-	32,328	23
INCOME BEFORE INTEREST CHARGES	5,364,227	4,464,864	3,977,146	3,940,055	3,674,601	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	1,211,798	1,222,467	1,187,905	1,060,615	1,086,379	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	15,994	16,154	14,911	10,882	10,394	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	203,534	363,208	251,153	262,821	89,084	29
TOTAL INTEREST CHARGES	1,431,326	1,601,829	1,453,969	1,334,318	1,185,857	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	3,932,901	2,863,035	2,523,177	2,605,737	2,488,744	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-		319-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	319-	-	35
NET INCOME	$ 3,932,901	$ 2,863,035	$ 2,523,177	$ 2,605,418	$ 2,488,744	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 11,590,794	$ 10,580,792	$ 9,581,878	$ 8,775,001	$ 7,913,133	37
BALANCE TRANSFERRED FROM INCOME	3,932,901	2,863,035	2,523,177	2,605,418	2,488,744	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	164,747	165,508	166,156	166,780	167,414	42
-COMMON STOCK	2,260,140	1,687,525	1,358,107	1,631,761	1,459,462	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	13,098,808	11,590,794	10,580,792	9,581,878	8,775,001	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 13,098,808	$ 11,590,794	$ 10,580,792	$ 9,581,878	$ 8,775,001	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	41.2	40.7	42.3	44.9	42.6	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	17.5	18.1	16.4	13.4	13.8	49
TOTAL INCOME TAXES-OPERATING	11.6	11.2	10.4	8.1	9.5	50
OTHER TAXES-OPERATING	10.3	12.3	12.6	12.3	12.3	51
TOTAL OPERATING EXPENSES	80.8	82.4	81.7	78.8	78.3	52
OPERATING INCOME	19.1	17.5	18.2	21.1	21.6	53
DEPR. AND AMORT.% OF TELEPHONE PLANT	7.0	7.1	6.8	4.8	4.8	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	5.6	6.9	6.9	7.5	7.2	55
PRETAX INTEREST COVERAGE	5.7	4.4	4.1	3.9	4.3	56
NET INCOME-PERCENT OF OPERATING REVENUES	15.4	12.3	11.8	14.6	15.1	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.6	0.7	0.7	0.9	1.0	58
TIMES EARNED	23.9	17.3	15.2	15.6	14.9	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	8.8	7.2	6.4	9.2	8.6	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	59.9	62.5	57.6	66.9	62.8	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	16.8	13.9	14.2	15.5	15.6	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.1	8.7	8.2	10.4	9.8	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

HIGHLAND TELEPHONE COMPANY

LINE NO.	ITEM		1985		1984		1983		1982		1981
	FUNDS PROVIDED										
	- INTERNAL SOURCES:										
1	INCOME BEFORE EXTRAORDINARY ITEMS	$	3,932,901	$	2,863,035	$	2,523,177	$	2,605,737	$	2,488,744
	NON-CASH CHARGES(CREDITS) TO INCOME										
2	DEPRECIATION AND AMORTIZATION		4,487,898		4,221,971		3,495,470		2,392,388		2,278,578
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		1,831,500		982,200		557,899		549,101		314,900
4	INTEREST CAPITALIZED		200,456-		155,073-		61,831-		62,813-		38,993-
5	OTHER (NET):		303,575		133,679		62,194		-		3,570
6											
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS		10,355,418		8,045,812		6,576,909		5,484,413		5,046,799
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES				-		-		319		
9	TOTAL FUNDS FROM INTERNAL SOURCES		10,355,418		8,045,812		6,576,909		5,484,094		5,046,799
10	LESS DIVIDENDS: PREFERRED		164,747		165,508		166,156		166,780		167,414
11	COMMON		2,260,140		1,687,525		1,358,107		1,631,761		1,459,462
12	NET FUNDS FROM INTERNAL SOURCES		7,930,531		6,192,779		5,052,646		3,685,553		3,419,923
	EXTERNAL SOURCES										
13	LONG TERM DEBT		-		-		1,429,500		-		
14	PREFERRED STOCK		-		-		-		-		
15	COMMON STOCK		-		-		-		-		-
16	NET INCREASE IN SHORT TERM DEBT		3,100,000		-		-		-		679,500
17	OTHER (NET):		-		3,500,000		-		-		575,000
18											
19	TOTAL FUNDS FROM EXTERNAL SOURCES		3,100,000		3,500,000		1,429,500		-		1,254,500
20	OTHER SOURCES (NET):		-		2,850,705		-		2,475,000		435,490
21											
22											
23	TOTAL FUNDS PROVIDED	$	11,030,531	$	12,543,484	$	6,482,146	$	6,160,553	$	5,109,913
	FUNDS APPLIED										
	CONSTRUCTION EXPENDITURES										
	GROSS ADDITIONS:										
24	TELEPHONE PLANT	$	9,745,012	$	11,160,195	$	4,162,493	$	4,243,434	$	4,237,577
25	NON-UTILITY PLANT		-		-		-		-		-
26	OTHER		-		-		-		-		-
27	TOTAL GROSS ADDITIONS		9,745,012		11,160,195		4,162,493		4,243,434		4,237,577
28	LESS INTEREST CAPITALIZED		200,456		155,073		61,831		62,813		38,993
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		9,544,556		11,005,122		4,100,662		4,180,621		4,198,584
	RETIREMENT OF DEBT AND SECURITIES										
30	LONG TERM DEBT		132,500		740,500		-		-		827,000
31	PREFERRED STOCK		8,000		8,000		8,000		8,000		8,000
32	REDEMPTION OF CAPITAL STOCK		-		-		-		-		-
33	NET DECREASE IN SHORT TERM DEBT		-		-		-		679,500		-
34	OTHER (NET):		107,524		389,862		-		482,976		-
35											
36	TOTAL RETIREMENT OF DEBT AND SECURITIES		248,024		1,138,362		8,000		1,170,476		835,000
37	OTHER USES (NET)		1,237,951		400,000		2,373,484		809,456		76,329
38											
39											
40	TOTAL FUNDS APPLIED	$	11,030,531	$	12,543,484	$	6,482,146	$	6,160,553	$	5,109,913

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

HIGHLAND TELEPHONE COMPANY

TELEPHONE OPERATING REVENUES

ITEM	1985	1984	1983	1982	1981	LINE NO
OPERATING REVENUES						
LOCAL REVENUES	$ 7,875,647	$ 7,059,933	$ 6,191,467	$ 5,191,939	$ 4,644,944	1
ACCESS REVENUES	-					2
TOLL REVENUES	16,415,441	15,250,313	14,205,958	11,770,649	11,118,396	3
MISCELLANEOUS REVENUES	1,415,299	1,115,353	994,784	904,113	769,646	4
UNCOLLECTIBLE REVENUES-DR	225,935	205,923	181,985	130,527	109,365	5
TOTAL TELEPHONE OPERATING REVENUE	$ 25,480,452	$ 23,219,676	$ 21,210,224	$ 17,738,174	$ 16,421,621	6
TELEPHONE ACCESS LINES IN SERVICE	39,410	38,602	35,329	34,084	32,992	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 207.22	$ 186.30	$ 178.40	$ 154.81	$ 143.61	8
ACCESS REVENUE	-					9
TOLL REVENUE	431.92	424.03	409.32	350.96	343.68	10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM	1985	1984	1983	1982	1981	LINE NO
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 4,019,427	$ 3,632,344	$ 3,443,215	$ 3,151,258	$ 2,644,338	11
DEPRECIATION + AMORTIZATION EXPENSES	4,471,906	4,205,817	3,480,559	2,381,506	2,268,184	12
TRAFFIC EXPENSES	1,180,973	1,702,671	1,637,681	1,448,297	1,307,202	13
COMMERCIAL EXPENSES	1,370,443	1,241,987	1,138,663	1,075,820	1,007,148	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	1,888,643	1,539,038	1,314,786	1,004,358	956,728	16
OTHER OPERATING EXPENSES	2,061,408	1,345,753	1,442,430	1,283,950	1,087,000	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 14,990,800	$ 13,667,620	$ 12,457,334	$ 10,345,187	$ 9,270,600	18

TELEPHONE UTILITY PLANT

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 61,035,914	$ 54,527,628	$ 50,863,426	$ 48,232,108	$ 44,392,380	19
PLANT UNDER CONSTRUCTION	2,717,183	3,932,688	1,627,454	1,079,220	1,352,621	20
PROPERTY HELD FOR FUTURE USE	82,309	70,456	40,681	42,103	33,230	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	63,835,406	58,530,772	52,531,561	49,353,431	46,378,231	24
ACCUMULATED PROVISION FOR DEPR+AMORT	16,676,775	16,645,247	17,600,414	15,104,218	13,990,946	25
NET TELEPHONE PLANT	$ 47,158,631	$ 41,885,525	$ 34,931,147	$ 34,249,213	$ 32,387,285	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 54,527,628	$ 50,863,426	$ 48,232,108	$ 44,992,380	$ 43,246,841	27
ADDITIONS	11,244,684	9,141,964	3,987,256	4,870,970	3,364,608	28
RETIREMENTS	4,736,398	5,481,244	1,355,938	1,631,242	1,619,069	29
TRANSFERS AND ADJUSTMENTS	-	3,482	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 61,035,914	$ 54,527,628	$ 50,863,426	$ 48,232,108	$ 44,992,380	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

HIGHLAND TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 25,480,452	$ 23,219,676	$ 21,210,224	$ 17,738,174	$ 16,421,621
2	ACCESS LINES (AVERAGE*)	38,006	35,966	34,707	33,538	32,345
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 5,779,388	$ 6,433,100	$ 6,341,852	$ 5,556,150	$ 4,930,389
4	OTHER OPERATION AND MAINTENANCE EXPENSES	4,739,528	3,028,703	2,634,923	2,407,531	2,072,027
5	DEPRECIATION AND AMORTIZATION EXPENSES	4,471,906	4,205,817	3,480,559	2,381,506	2,268,184
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	2,963,999	2,598,501	2,209,073	1,444,201	1,564,764
8	OTHER TAXES - OPERATING	2,634,592	2,867,034	2,674,940	2,187,953	2,031,134
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1,383,417	1,564,811	1,439,817	1,319,291	1,178,850
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	158,340	158,673	163,016	163,721	155,386
11	EARNINGS AVAILABLE FOR COMMON EQUITY	3,349,304	2,383,237	2,266,044	2,275,821	2,212,887
12	TOTAL	$ 25,480,452	$ 23,219,676	$ 21,210,224	$ 17,738,174	$ 16,421,621
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	22.7	27.7	29.9	31.3	30.0
14	OTHER OPERATION AND MAINTENANCE EXPENSES	18.6	13.0	12.4	13.6	12.6
15	DEPRECIATION AND AMORTIZATION EXPENSES	17.6	18.1	16.4	13.4	13.8
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	11.6	11.2	10.4	8.1	9.5
18	OTHER TAXES - OPERATING	10.3	12.3	12.6	12.3	12.4
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.4	6.7	6.8	7.4	7.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.7	0.8	0.9	1.0
21	EARNINGS AVAILABLE FOR COMMON EQUITY	13.1	10.2	10.7	12.8	13.5
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 12.67	$ 14.91	$ 15.23	$ 13.81	$ 12.70
24	OTHER OPERATION AND MAINTENANCE EXPENSES	10.39	7.02	6.33	5.98	5.34
25	DEPRECIATION AND AMORTIZATION EXPENSES	9.81	9.75	8.36	5.92	5.84
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	6.50	6.02	5.30	3.59	4.03
28	OTHER TAXES - OPERATING	5.78	6.64	6.42	5.44	5.23
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.03	3.63	3.46	3.28	3.03
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.35	0.37	0.39	0.41	0.43
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.34	5.48	5.44	5.65	5.70
32	TOTAL	$ 55.87	$ 53.80	$ 50.93	$ 44.07	$ 42.31

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

MARGARETVILLE TELEPHONE CO., INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 3,979,730	$ 3,948,033	$ 3,812,929	$ 2,687,917	$ 2,506,954
2	ACCUMULATED PROVISION FOR DEPR+AMORT	801,459	919,465	1,121,738	972,502	823,643
3	NET TELEPHONE PLANT	3,178,271	3,028,568	2,691,191	1,715,415	1,683,311
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	61,300	56,300	53,300	-	-
8	TOTAL INVESTMENTS AND FUNDS	61,300	56,300	53,300	-	-
9	CASH AND WORKING FUNDS	168,546	88,367	71,519	47,530	41,701
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	157,045	61,585	42,250	31,148	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	150,697	200,300	38,768	14,644	16,830
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	130,212	121,822	112,101	108,860	105,084
15	MATERIALS AND SUPPLIES*	48,973	34,219	45,076	128,939	50,293
16	PREPAYMENTS	19,700	28,170	26,608	23,691	31,203
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	675,173	534,463	336,322	354,812	245,111
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	15,253	15,766	16,280	16,796	4,924
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	1,713	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	4,597	1,768	-	2,879	3,492
23	TOTAL DEFERRED DEBITS	19,850	17,534	17,993	19,675	8,416
24	TOTAL ASSETS AND OTHER DEBITS	3,934,594	$ 3,638,865	$ 3,098,806	$ 2,089,902	$ 1,936,838
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 130,000	$ 130,000	$ 130,000	$ 130,000	$ 130,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	1,097,159	933,945	799,493	671,763	551,600
34	TOTAL PROPRIETARY CAPITAL	1,227,159	1,063,945	929,493	801,763	681,600
35	BONDS(LESS BONDS REACQUIRED)	2,025,210	1,978,980	1,820,482	932,122	947,957
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	2,025,210	1,978,980	1,820,482	932,122	947,957
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	239,233	232,736	86,468	130,118	122,567
41	CUSTOMERS' DEPOSITS	725	4,875	3,975	3,675	4,100
42	ADVANCE BILLING AND PAYMENTS	15,540	13,272	12,162	10,266	9,450
43	TAXES ACCRUED	14,672-	7,043	15,988	23,809	6,013
44	OTHER CURRENT AND ACCRUED LIABILITIES	27,605	34,280	25,581	14,458	15,183
45	TOTAL CURRENT AND ACCRUED LIABILITIES	268,431	292,206	144,174	182,326	157,313
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	168,854	171,476	130,211	109,519	83,098
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	168,854	171,476	130,211	109,519	83,098
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	246,940	130,258	74,446	64,172	66,870
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,934,594	$ 3,638,865	$ 3,098,806	$ 2,089,902	$ 1,936,838
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.74	3.32	3.29	2.95	3.44
54	CURRENT ASSETS/CURRENT LIABILITIES	2.52	1.83	2.33	1.95	1.56
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	62.2	65.0	68.1	53.7	58.1
56	PREFERRED STOCK	-	-	-	-	-
57	COMMON STOCK+OTHER PAID-IN CAPITAL	3.9	4.2	4.7	7.4	7.9
58	RETAINED EARNINGS	33.7	30.6	29.0	38.7	33.8
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	50.8	50.1	47.7	34.6	37.8
60	PERCENT OF NET TELEPHONE PLANT	63.7	65.3	67.6	54.3	56.3
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	20.1	23.2	29.4	36.1	32.8

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

MARGARETVILLE TELEPHONE CO., INC

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,446,931	$ 1,170,154	$ 988,833	$ 879,018	$ 701,386	1
OPERATION AND MAINTENANCE EXPENSE	744,957	591,242	497,132	423,405	376,813	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	220,138	179,706	158,480	150,413	96,443	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	88,426	98,274	84,253	69,816	63,980	6
INCOME TAXES-OPERATING	3,876-	47,219	48,111	49,208	20,365	7
OPERATING INCOME TAXES DEFERRED	121,329	57,563	11,929	493-	14,083	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	4,648-	1,750-	1,665-	2,206-	1,980-	9
TOTAL OPERATING EXPENSES	1,166,326	972,254	798,250	690,143	569,694	10
TOTAL TELEPHONE OPERATING INCOME	280,606	197,900	190,583	188,875	131,692	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	17,522	11,621	6,415	3,081	-	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	19,352	7,376	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	383	16
MISCELLANEOUS INCOME	745	1,148	243	496	440	17
TOTAL OTHER INCOME	18,267	32,121	14,034	3,577	823	18
TOTAL INCOME	298,872	230,021	204,617	192,452	132,515	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	12	791	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	4,378	2,268	3,974	3,228	3,074	22
TOTAL INCOME DEDUCTIONS	4,378	2,268	3,974	3,240	3,865	23
INCOME BEFORE INTEREST CHARGES	294,494	227,753	200,643	189,212	128,650	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	142,757	121,173	54,927	46,893	47,664	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	514	514	516	170	169	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	858	5,287	9,662	12,622	8,047	29
TOTAL INTEREST CHARGES	144,129	126,974	65,105	59,685	55,880	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	150,365	100,779	135,538	129,527	72,770	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	20,649	41,473	-	-	16,596	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	658-	914-	2,150-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	20,649	41,473	658-	914-	14,446	35
NET INCOME	$ 171,014	$ 142,252	$ 134,880	$ 128,613	$ 87,216	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 933,945	$ 799,493	$ 671,763	$ 551,600	$ 468,284	37
BALANCE TRANSFERRED FROM INCOME	171,014	142,252	134,880	128,613	87,216	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	7,800	7,800	7,150	8,450	3,900	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,097,159	933,945	799,493	671,763	551,600	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 1,097,159	$ 933,945	$ 799,493	$ 671,763	$ 551,600	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	51.4	50.5	50.2	48.1	53.7	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	15.2	15.3	16.0	17.1	13.7	49
TOTAL INCOME TAXES-OPERATING	7.8	8.8	5.9	5.3	4.6	50
OTHER TAXES-OPERATING	6.1	8.3	8.5	7.9	9.1	51
TOTAL OPERATING EXPENSES	80.6	83.0	80.7	78.5	81.2	52
OPERATING INCOME	19.3	16.9	19.2	21.4	18.7	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.5	4.5	4.1	5.5	3.8	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	10.0	10.9	6.6	6.8	8.0	55
PRETAX INTEREST COVERAGE	2.8	2.6	4.0	3.9	2.9	56
NET INCOME-PERCENT OF OPERATING REVENUES	11.8	12.1	13.6	14.6	12.4	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	58
TIMES EARNED	-	-	-	-	-	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	0.5	0.6	0.7	0.9	0.5	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	4.5	5.4	5.3	6.5	4.4	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	14.9	14.2	15.5	17.3	13.6	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	0.6	0.7	0.8	1.1	0.6	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

MARGARETVILLE TELEPHONE CO., INC.

LINE NO	ITEM		1985		1984		1983		1982		1981
	FUNDS PROVIDED										
	INTERNAL SOURCES										
1	INCOME BEFORE EXTRAORDINARY ITEMS	$	150,365	$	100,779	$	135,538	$	129,527	$	72,770
	NON-CASH CHARGES(CREDITS) TO INCOME										
2	DEPRECIATION AND AMORTIZATION		221,662		182,204		171,551		170,534		116,729
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		112,059		97,077		30,966		23,723		31,346
4	INTEREST CAPITALIZED		-		19,352-		-		-		
5	OTHER (NET)		-		-		-				-
6											
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS		484,086		360,708		338,055		323,784		220,845
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES		20,649		41,473		658-		914-		14,446
9	TOTAL FUNDS FROM INTERNAL SOURCES		504,735		402,181		337,397		322,870		235,291
10	LESS DIVIDENDS: PREFERRED		-		-		-		-		-
11	COMMON		7,800		7,800		7,150		8,450		3,900
12	NET FUNDS FROM INTERNAL SOURCES		496,935		394,381		330,247		314,420		231,391
	EXTERNAL SOURCES										
13	LONG TERM DEBT		71,000		182,000		905,000		-		-
14	PREFERRED STOCK		-		-		-		-		-
15	COMMON STOCK		-		-		-		-		-
16	NET INCREASE IN SHORT TERM DEBT		-		-		20,000		-		75,303
17	OTHER (NET)		-		-		-		-		-
18											
19	TOTAL FUNDS FROM EXTERNAL SOURCES		71,000		182,000		925,000		-		75,303
20	OTHER SOURCES (NET)		25,865		23,854		5,364		26,820		40,535
21											
22											
23	TOTAL FUNDS PROVIDED	$	593,800	$	600,235	$	1,260,611	$	341,240	$	347,229
	FUNDS APPLIED										
	CONSTRUCTION EXPENDITURES										
	GROSS ADDITIONS										
24	TELEPHONE PLANT	$	390,356	$	538,245	$	1,147,948	$	225,315	$	199,110
25	NON-UTILITY PLANT		-		-				-		-
26	OTHER		-		-				-		-
27	TOTAL GROSS ADDITIONS		390,356		538,245		1,147,948		225,315		199,110
28	LESS INTEREST CAPITALIZED		-		19,352				-		
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		390,356		518,893		1,147,948		225,315		199,110
	RETIREMENT OF DEBT AND SECURITIES										
30	LONG TERM DEBT		24,770		23,502		16,640		15,835		15,082
31	PREFERRED STOCK		-		-				-		-
32	REDEMPTION OF CAPITAL STOCK		-		-				-		
33	NET DECREASE IN SHORT TERM DEBT		19,500		42,990				54,010		-
34	OTHER (NET)		-		-				-		-
35											
36	TOTAL RETIREMENT OF DEBT AND SECURITIES		44,270		66,492		16,640		69,845		15,082
37	OTHER USES (NET)		159,174		14,850		96,023		46,080		133,037
38											
39											
40	TOTAL FUNDS APPLIED	$	593,800	$	600,235	$	1,260,611	$	341,240	$	347,229

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

MARGARETVILLE TELEPHONE CO., INC

ITEM		1985	1984	1983	1982	1981	LINE NO
			TELEPHONE OPERATING REVENUES				
OPERATING REVENUES							
LOCAL REVENUES	$	344,277 $	330,780 $	311,001 $	295,042 $	280,134	1
ACCESS REVENUES		598,845					2
TOLL REVENUES		363,179	821,033	655,974	561,245	404,623	3
MISCELLANEOUS REVENUES		147,230	24,841	25,858	25,731	22,629	4
UNCOLLECTIBLE REVENUES-DR		6,600	6,500	4,000	3,000	6,000	5
TOTAL TELEPHONE OPERATING REVENUE	$	1,446,931 $	1,170,154 $	988,833 $	879,018 $	701,386	6
TELEPHONE ACCESS LINES IN SERVICE		2,769	2,681	2,546	2,455	2,380	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 126.34	$ 126.57	$ 124.38	$ 122.04	$ 119.69	8
ACCESS REVENUE		219.76					9
TOLL REVENUE		133.28	314.15	262.34	232.16	172.88	10
*YEAR END AVERAGE							
			TELEPHONE OPERATION AND MAINTENANCE EXPENSES				
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	218,140 $	164,779 $	143,575 $	116,233 $	90,486	11
DEPRECIATION + AMORTIZATION EXPENSES		220,138	179,706	158,480	150,413	96,443	12
TRAFFIC EXPENSES		25,398	28,844	11,746	11,507	14,281	13
COMMERCIAL EXPENSES		30,462	27,601	28,811	31,054	37,288	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		228,337	223,177	179,913	162,377	116,818	16
OTHER OPERATING EXPENSES		242,020	146,741	33,087	102,234	117,880	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	985,095 $	770,948 $	555,612 $	573,818 $	473,258	18
			TELEPHONE UTILITY PLANT				
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	3,979,730 $	3,600,461 $	2,946,032 $	2,603,955 $	2,434,972	19
PLANT UNDER CONSTRUCTION		-	347,572	866,897	83,962	56,843	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	15,139	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		3,979,730	3,948,033	3,812,929	2,687,917	2,506,954	24
ACCUMULATED PROVISION FOR DEPR+AMORT		801,459	919,465	1,121,738	972,502	823,643	25
NET TELEPHONE PLANT	$	3,178,271 $	3,028,568 $	2,691,191 $	1,715,415 $	1,683,311	26
PLANT IN SERVICE BEGINNING OF YEAR	$	3,600,460 $	2,946,032 $	2,603,955 $	2,434,972 $	2,296,092	27
ADDITIONS		737,928	1,057,566	365,013	198,196	166,767	28
RETIREMENTS		358,658	403,138	22,936	29,213	28,987	29
TRANSFERS AND ADJUSTMENTS		-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$	3,979,730 $	3,600,460 $	2,946,032 $	2,603,955 $	2,434,972	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

MARGARETVILLE TELEPHONE CO., INC.

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,446,931	$ 1,170,154	$ 988,833	$ 879,018	$ 701,386
2	ACCESS LINES (AVERAGE*)	2,725	2,614	2,501	2,418	2,341
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 330,418	$ 255,352	$ 212,516	$ 196,364	$ 170,154
4	OTHER OPERATION AND MAINTENANCE EXPENSES	414,539	335,890	284,616	227,041	206,659
5	DEPRECIATION AND AMORTIZATION EXPENSES	220,128	179,706	158,480	150,413	96,443
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	112,805	103,032	58,386	46,509	32,458
8	OTHER TAXES - OPERATING	88,426	98,274	64,253	69,616	63,980
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	144,129	114,767	65,105	59,685	55,880
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	136,476	83,133	125,478	129,190	75,812
12	TOTAL	$ 1,446,931	$ 1,170,154	$ 988,833	$ 879,018	$ 701,386
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	22.8	21.8	21.5	22.3	24.3
14	OTHER OPERATION AND MAINTENANCE EXPENSES	28.6	28.7	28.8	25.8	29.5
15	DEPRECIATION AND AMORTIZATION EXPENSES	15.2	15.4	16.0	17.1	13.8
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	7.8	8.8	5.9	5.3	4.6
18	OTHER TAXES - OPERATING	6.1	8.4	6.5	7.9	9.1
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	10.0	9.8	6.6	6.8	8.0
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.4	7.1	12.7	14.7	10.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 10.10	$ 8.14	$ 7.08	$ 6.77	$ 6.06
24	OTHER OPERATION AND MAINTENANCE EXPENSES	12.68	10.71	9.49	7.83	7.36
25	DEPRECIATION AND AMORTIZATION EXPENSES	6.73	5.73	5.28	5.18	3.43
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	3.45	3.29	1.95	1.60	1.16
28	OTHER TAXES - OPERATING	2.70	3.13	2.81	2.41	2.28
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.41	3.66	2.17	2.06	1.99
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	4.17	2.65	4.18	4.45	2.70
32	TOTAL	$ 44.25	$ 37.31	$ 32.95	$ 30.30	$ 24.97

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

MIDDLEBURGH TELEPHONE COMPANY, THE

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 7,395,674	$ 7,236,234	$ 6,928,067	$ 6,598,019	$ 6,230,634
2	ACCUMULATED PROVISION FOR DEPR-AMORT	2,216,329	2,180,180	1,983,694	1,779,956	1,533,833
3	NET TELEPHONE PLANT	5,179,345	5,056,054	4,944,373	4,818,063	4,696,801
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	42,093	20,862	3,907	-	-
7	OTHER INVESTMENTS AND FUNDS	30,000	25,000	22,000	15,000	17,288
8	TOTAL INVESTMENTS AND FUNDS	72,093	45,862	25,907	15,000	17,288
9	CASH AND WORKING FUNDS	349,824	193,524	151,139	61,598	144,189
10	SPECIAL CASH DEPOSITS	-	-	-	-	941
11	TEMPORARY CASH INVESTMENTS	255,693	66,139	21,371	10,085	14,047
12	NOTES-ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	129,371	197,797	100,770	14,696	21,889
14	DUE FROM CUSTOMERS-AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	181,728	179,570	158,756	144,341	144,366
15	MATERIALS AND SUPPLIES*	277,780	289,092	230,151	191,315	53,972
16	PREPAYMENTS	97,213	57,652	53,613	50,980	40,393
17	OTHER CURRENT AND ACCRUED ASSETS	2,916	2,810	2,699	2,592	2,185
18	TOTAL CURRENT AND ACCRUED ASSETS	1,294,525	965,584	718,499	475,607	422,862
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	10,051	10,404	3,657	3,797	3,938
20	EXTRAORDINARY MAINTENANCE-RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	714	6,338	20,635	17,327	20,471
23	TOTAL DEFERRED DEBITS	10,765	16,742	24,292	21,124	24,409
24	TOTAL ASSETS AND OTHER DEBITS	6,556,728 $	6,084,242 $	5,713,071 $	5,329,794 $	5,161,360
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000
26	PREFERRED CAPITAL STOCK	93,100	105,000	116,100	127,000	144,100
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	1,923,388	1,536,330	1,325,989	1,061,729	819,968
34	TOTAL PROPRIETARY CAPITAL	2,116,488	1,741,330	1,542,089	1,288,729	1,064,068
35	BONDS(LESS BONDS REACQUIRED)	3,528,704	3,598,860	3,665,356	3,726,901	3,784,256
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	3,528,704	3,598,860	3,665,356	3,726,901	3,784,256
39	NOTES-ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	57,638	172,235	4,392	13,592	2,000
41	CUSTOMERS' DEPOSITS	-	200	4,485	4,345	9,965
42	ADVANCE BILLING AND PAYMENTS	-	-	105	-	-
43	TAXES ACCRUED	100,945	452	22,782	4,448-	19,428
44	OTHER CURRENT AND ACCRUED LIABILITIES	41,396	42,518	95,348	54,307	66,879
45	TOTAL CURRENT AND ACCRUED LIABILITIES	199,979	215,405	127,112	67,796	98,272
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	300,668	211,572	139,074	70,382	44,825
48	OTHER DEFERRED CREDITS	8,991	2,798	391	-	-
49	TOTAL DEFERRED CREDITS	309,659	214,370	139,465	70,382	44,825
50	OPERATING RESERVES	-	-	-	-	24,599
51	ACCUMULATED DEFERRED INCOME TAXES	401,898	314,277	239,049	175,986	145,340
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 6,556,728	$ 6,084,242	$ 5,713,071	$ 5,329,794	$ 5,161,360
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.76	3.12	3.30	3.68	3.80
54	CURRENT ASSETS/CURRENT LIABILITIES	6.47	4.48	5.65	7.02	4.30
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	62.5	67.3	70.3	74.3	78.0
56	PREFERRED STOCK	1.6	1.9	2.2	2.5	2.9
57	COMMON STOCK+OTHER PAID-IN CAPITAL	1.7	1.8	1.9	1.9	2.0
58	RETAINED EARNINGS	34.0	28.7	25.4	21.1	16.9
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	47.7	49.7	52.9	56.4	60.7
60	PERCENT OF NET TELEPHONE PLANT	68.1	71.1	74.1	77.3	80.5
61	ACCUMULATED PROVISION FOR DEPR-AMORT PERCENT OF TELEPHONE PLANT	29.9	30.1	28.6	26.9	24.6

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

MIDDLEBURGH TELEPHONE COMPANY, THE

ITEM	1985	1984	1983	1982	1981	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES $	2,651,229 $	2,288,793 $	2,046,481 $	1,742,113 $	1,603,727	1
OPERATION AND MAINTENANCE EXPENSE	1,262,036	1,198,761	961,556	765,777	670,314	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	270,667	261,105	254,997	259,333	247,727	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	232,087	244,805	214,196	196,902	173,717	6
INCOME TAXES-OPERATING	210,004	79,755	76,375	44,292	58,518	7
OPERATING INCOME TAXES DEFERRED	101,299	82,970	79,437	45,047	38,436	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	13,678	7,742-	16,374-	14,401-	11,940-	9
TOTAL OPERATING EXPENSES	2,062,385	1,859,654	1,570,187	1,296,950	1,176,772	10
TOTAL TELEPHONE OPERATING INCOME	588,844	407,139	476,294	445,163	426,955	11
OTHER INCOME						
DIVIDEND INCOME	595	580	490	-	2,288	12
INTEREST INCOME	22,109	14,840	4,540	5,835	975	13
ALLOWANCE FOR CONSTRUCTION FUNDS	5,209	10,064	4,928	5,408	2,118	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	19,346-	9,452-	1,319	14,047	16,120	17
TOTAL OTHER INCOME	8,567	16,012	11,277	25,290	21,499	18
TOTAL INCOME	597,411	423,151	487,571	470,453	448,454	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	2,921	-	-	21
MISCELLANEOUS INCOME CHARGES	4,628	1,689	4,382	3,729	2,839	22
TOTAL INCOME DEDUCTIONS	4,628	1,689	7,303	3,729	2,839	23
INCOME BEFORE INTEREST CHARGES	592,783	421,462	480,268	466,724	445,615	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	187,268	189,632	194,135	196,879	196,795	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	353	353	140	141	140	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	14	58	840	900	1,140	29
TOTAL INTEREST CHARGES	187,635	190,043	195,115	197,920	198,075	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	405,148	231,419	285,153	268,804	247,540	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	18,994	8,775	5,474	-		32
EXTRAORDINARY/DELAYED INCOME CHARGES	96-	-	307-	1,614-	262-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	8,737	4,037	2,696	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	10,161	4,738	2,471	1,614-	262-	35
NET INCOME $	415,309 $	236,157 $	287,624 $	267,190 $	247,278	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	1,536,330 $	1,325,989 $	1,061,729 $	819,968 $	592,045	37
BALANCE TRANSFERRED FROM INCOME	415,309	236,157	287,624	267,190	247,278	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	2,288	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	5,251	5,818	6,364	7,141	7,355	42
-COMMON STOCK	23,000	20,000	17,000	16,000	12,000	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,923,388	1,536,330	1,325,989	1,061,729	819,968	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR $	1,923,388 $	1,536,330 $	1,325,989 $	1,061,729 $	819,968	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	47.6	52.8	46.9	43.9	41.7	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	10.2	11.5	12.4	14.8	15.4	49
TOTAL INCOME TAXES-OPERATING	11.2	6.8	6.8	4.3	5.3	50
OTHER TAXES-OPERATING	8.7	10.7	10.4	11.3	10.8	51
TOTAL OPERATING EXPENSES	77.7	82.0	76.7	74.4	73.3	52
OPERATING INCOME	22.2	17.9	23.2	25.5	26.6	53
DEPR. AND AMORT % OF TELEPHONE PLANT	3.6	3.6	3.6	3.9	3.9	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	7.1	8.4	9.5	11.4	12.4	55
PRETAX INTEREST COVERAGE	4.7	3.0	3.2	2.7	2.6	56
NET INCOME-PERCENT OF OPERATING REVENUES	15.6	10.4	14.0	15.3	15.4	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.1	0.2	0.3	0.4	0.4	58
TIMES EARNED	79.1	40.6	45.2	37.4	33.6	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	0.8	0.8	0.8	0.9	0.7	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	5.6	8.6	6.0	6.1	5.0	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	22.4	15.0	21.7	24.9	29.7	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	1.2	1.3	1.3	1.5	1.4	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

MIDDLEBURGH TELEPHONE COMPANY, THE

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 405,148	$ 231,419	$ 285,153	$ 268,804	$ 247,540
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	271,010	261,459	301,360	259,474	247,867
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	176,717	147,726	131,755	56,203	55,867
4	INTEREST CAPITALIZED	5,209-	10,064-	4,928-	5,408-	2,116-
5	OTHER (NET)	6,209	2,406	-	-	
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	853,875	632,946	713,340	579,073	549,158
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	10,161	4,738	2,471	1,614-	262-
9	TOTAL FUNDS FROM INTERNAL SOURCES	864,036	637,684	715,811	577,459	548,896
10	LESS DIVIDENDS: PREFERRED	5,251	5,816	6,364	7,141	7,355
11	COMMON	23,000	20,000	17,000	16,000	12,000
12	NET FUNDS FROM INTERNAL SOURCES	835,785	611,868	692,447	554,318	529,541
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	85,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	85,000
20	OTHER SOURCES (NET)	169,838	112,248	34,301	173,814	92,451
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,005,623	$ 724,116	$ 726,748	$ 728,132	$ 706,992
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 535,568	$ 461,690	$ 443,837	$ 566,230	$ 371,921
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	535,568	461,690	443,837	566,230	371,921
28	LESS INTEREST CAPITALIZED	5,209	10,064	4,928	5,408	2,116
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	530,359	451,626	438,909	560,822	369,805
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	70,156	66,496	61,545	57,355	54,649
31	PREFERRED STOCK	11,900	11,100	10,900	17,100	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	82,056	77,596	72,445	74,455	54,649
37	OTHER USES (NET)	393,208	194,894	215,394	92,855	282,538
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,005,623	$ 724,116	$ 726,748	$ 728,132	$ 706,992

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

MIDDLEBURGH TELEPHONE COMPANY, THE

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 728,144	$ 724,924	$ 692,842	$ 686,973	$ 674,887	1
ACCESS REVENUES	880,705					2
TOLL REVENUES	1,120,843	1,506,928	1,314,006	1,025,013	910,241	3
MISCELLANEOUS REVENUES	143,737	46,641	46,533	38,045	30,599	4
UNCOLLECTIBLE REVENUES-DR	22,200	11,700	6,900	7,918	12,000	5
TOTAL TELEPHONE OPERATING REVENUE	$ 2,651,229	$ 2,266,793	$ 2,046,481	$ 1,742,113	$ 1,603,727	6
TELEPHONE ACCESS LINES IN SERVICE	4,328	4,260	4,147	4,071	3,971	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 169 57	$ 172 46	$ 168 62	$ 170 85	$ 172 34	8
ACCESS REVENUE	158 52					9
TOLL REVENUE	261 03	358 49	319 79	254 91	232 44	10

*YEAR END AVERAGE

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 541,343	$ 486,525	$ 421,821	$ 312,409	$ 246,536	11
DEPRECIATION + AMORTIZATION EXPENSES	270,657	261,105	254,997	259,333	247,727	12
TRAFFIC EXPENSES	66,081	95,397	30,761	21,188	20,853	13
COMMERCIAL EXPENSES	79,001	136,229	91,452	67,639	73,942	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	276,938	246,268	247,364	191,156	169,288	16
OTHER OPERATING EXPENSES	298,693	234,342	170,158	173,385	159,695	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,532,693	$ 1,459,866	$ 1,216,553	$ 1,025,110	$ 918,041	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 7,319,897	$ 7,132,662	$ 6,717,609	$ 6,510,456	$ 6,159,510	19
PLANT UNDER CONSTRUCTION	75,827	103,622	210,508	87,613	71,174	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	50-	50-	50-	50-	50-	23
TOTAL TELEPHONE UTILITY PLANT	7,395,674	7,236,234	6,928,067	6,598,019	6,230,634	24
ACCUMULATED PROVISION FOR DEPR+AMORT	2,216,329	2,180,180	1,983,694	1,779,956	1,533,833	25
NET TELEPHONE PLANT	$ 5,179,345	$ 5,056,054	$ 4,944,373	$ 4,818,063	$ 4,696,801	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 7,132,664	$ 6,717,609	$ 6,510,456	$ 6,159,510	$ 5,953,003	27
ADDITIONS	563,362	568,576	320,942	549,791	300,747	28
RETIREMENTS	376,129	153,523	113,789	198,845	94,240	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 7,319,897	$ 7,132,662	$ 6,717,609	$ 6,510,456	$ 6,159,510	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

MIDDLEBURGH TELEPHONE COMPANY, THE

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 2,651,229	$ 2,266,793	$ 2,046,481	$ 1,742,113	$ 1,603,727
2	ACCESS LINES (AVERAGE*)	4,294	4,204	4,109	4,021	3,916
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 811,881	$ 706,633	$ 585,881	$ 447,136	$ 407,589
4	OTHER OPERATION AND MAINTENANCE EXPENSES	450,175	492,128	375,675	318,641	262,725
5	DEPRECIATION AND AMORTIZATION EXPENSES	270,657	261,105	254,997	259,333	247,727
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	297,625	154,983	139,438	74,938	85,014
8	OTHER TAXES - OPERATING	232,087	244,805	214,196	196,902	173,717
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	185,979	185,353	193,104	195,524	197,097
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	5,204	5,675	6,300	7,054	7,319
11	EARNINGS AVAILABLE FOR COMMON EQUITY	397,661	216,111	276,890	242,585	222,539
12	TOTAL	$ 2,651,229	$ 2,266,793	$ 2,046,481	$ 1,742,113	$ 1,603,727
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	30.6	31.2	28.6	25.7	25.4
14	OTHER OPERATION AND MAINTENANCE EXPENSES	17.0	21.7	18.4	18.3	16.4
15	DEPRECIATION AND AMORTIZATION EXPENSES	10.2	11.5	12.5	14.9	15.4
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	11.2	6.8	6.8	4.3	5.3
18	OTHER TAXES - OPERATING	8.8	10.8	10.5	11.3	10.8
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.0	8.2	9.4	11.2	12.3
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.2	0.3	0.3	0.4	0.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	15.0	9.5	13.5	13.9	13.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 15.76	$ 14.01	$ 11.88	$ 9.27	$ 8.67
24	OTHER OPERATION AND MAINTENANCE EXPENSES	8.74	9.76	7.62	6.60	5.59
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.25	5.18	5.17	5.37	5.27
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	5.78	3.07	2.83	1.55	1.81
28	OTHER TAXES - OPERATING	4.50	4.85	4.34	4.08	3.70
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.61	3.67	3.92	4.05	4.19
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.10	0.11	0.13	0.15	0.16
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.72	4.28	5.62	5.03	4.74
32	TOTAL	$ 51.45	$ 44.94	$ 41.50	$ 36.10	$ 34.13

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

NEWPORT TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 4,317,171	$ 4,068,625	$ 3,976,804	$ 3,860,678	$ 3,764,544
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,704,495	1,462,086	1,265,861	1,075,169	910,057
3	NET TELEPHONE PLANT	2,612,676	2,606,539	2,710,943	2,785,509	2,854,487
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	40,722	35,207	26,944	12,440	12,440
7	OTHER INVESTMENTS AND FUNDS	74,000	69,000	69,000	69,000	71,288
8	TOTAL INVESTMENTS AND FUNDS	114,722	104,207	95,944	81,440	83,728
9	CASH AND WORKING FUNDS	2,906	6,795	6,219	5,276	1,517
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	55,489	19,808	2,340	34,383	62,421
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	149,912	52,683	72,252	26,728	26,219
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	114,777	103,746	97,929	79,076	84,256
15	MATERIALS AND SUPPLIES*	134,560	93,251	79,295	69,549	36,894
16	PREPAYMENTS	37,185	34,111	34,010	34,467	27,872
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	494,829	310,394	292,045	249,479	239,179
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	17,705	18,492	19,279	20,066	20,853
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	1,932	3,223	1,751	3,725	8,348
23	TOTAL DEFERRED DEBITS	19,637	21,715	21,030	23,791	29,201
24	TOTAL ASSETS AND OTHER DEBITS	3,241,864	$ 3,042,855	$ 3,119,962	$ 3,140,219	$ 3,206,595
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 148,150	$ 148,150	$ 166,600	$ 185,000	$ 185,000
26	PREFERRED CAPITAL STOCK	110,000	110,000	110,000	110,000	110,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	507,112	429,112	389,239	442,912	452,180
34	TOTAL PROPRIETARY CAPITAL	765,262	687,262	665,839	737,912	747,180
35	BONDS(LESS BONDS REACQUIRED)	1,770,443	1,851,909	1,935,811	2,012,268	2,079,020
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	1,770,443	1,851,909	1,935,811	2,012,268	2,079,020
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	298,436	155,585	213,115	114,919	96,906
41	CUSTOMERS' DEPOSITS	2,375	3,000	3,115	2,115	2,640
42	ADVANCE BILLING AND PAYMENTS	11,926	10,960	7,937	7,169	6,291
43	TAXES ACCRUED	4,867	659	428	1,699-	900
44	OTHER CURRENT AND ACCRUED LIABILITIES	24,808	14,889	14,160	12,102	12,666
45	TOTAL CURRENT AND ACCRUED LIABILITIES	342,412	185,093	238,755	134,606	119,403
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	50,842	37,709	39,542	42,248	60,333
48	OTHER DEFERRED CREDITS	14,465	9,510	5,936	4,054	3,718
49	TOTAL DEFERRED CREDITS	65,307	47,219	45,478	46,302	64,051
50	OPERATING RESERVES	129,948	90,471	53,577	19,096	19,096
51	ACCUMULATED DEFERRED INCOME TAXES	168,492	180,301	180,502	190,035	177,845
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,241,864	$ 3,042,855	$ 3,119,962	$ 3,140,219	$ 3,206,595
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.84	2.99	3.54	3.64	3.46
54	CURRENT ASSETS/CURRENT LIABILITIES	1.45	1.68	1.22	1.85	2.00
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	69.8	72.9	74.4	73.1	73.5
56	PREFERRED STOCK	4.3	4.3	4.2	3.9	3.8
57	COMMON STOCK+OTHER PAID-IN CAPITAL	5.8	5.8	6.4	6.7	6.5
58	RETAINED EARNINGS	19.9	16.8	14.9	16.1	15.9
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	41.0	45.5	48.6	52.1	55.2
60	PERCENT OF NET TELEPHONE PLANT	67.7	71.0	71.4	72.2	72.8
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	39.4	35.9	31.8	27.8	24.1

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

NEWPORT TELEPHONE COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,477,034	$ 1,348,454	$ 1,108,309	$ 1,048,872	$ 1,050,124	1
OPERATION AND MAINTENANCE EXPENSE	807,605	797,064	673,464	603,547	561,341	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	248,941	192,724	188,411	182,321	168,428	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	178,836	180,316	164,516	146,472	129,320	6
INCOME TAXES-OPERATING	18,093	1,794	2,706-	19,888-	414-	7
OPERATING INCOME TAXES DEFERRED	9,046	8,771	7,528	31,977	48,499	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	16,336-	8,372-	17,059-	19,787-	16,868-	9
TOTAL OPERATING EXPENSES	1,246,186	1,172,297	1,014,152	924,642	888,306	10
TOTAL TELEPHONE OPERATING INCOME	230,848	174,157	92,157	122,030	161,818	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	2,288	12
INTEREST INCOME	1,736	468	1,358	3,980	14,480	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	1,837	377	222	542-	130	16
MISCELLANEOUS INCOME	54,439-	26,246-	32,529-	5,325-	3,319	17
TOTAL OTHER INCOME	50,866-	25,401-	30,949-	1,904-	20,217	18
TOTAL INCOME	179,982	148,756	61,208	120,126	182,035	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	535	812	2,656	605	567	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	1,264	706	421	319	231	22
TOTAL INCOME DEDUCTIONS	1,799	1,518	3,077	924	798	23
INCOME BEFORE INTEREST CHARGES	178,183	147,238	58,131	119,202	181,237	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	61,773	68,308	75,757	85,467	68,662	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	787	787	787	787	787	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	17,493	18,353	14,236	13,728	18,977	29
TOTAL INTEREST CHARGES	80,053	87,446	90,780	99,982	88,426	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	98,130	59,792	32,649-	19,220	94,811	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 98,130	$ 59,792	$ 32,649-	$ 19,220	$ 94,811	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 429,112	$ 389,239	$ 442,912	$ 452,180	$ 383,569	37
BALANCE TRANSFERRED FROM INCOME	98,130	59,792	32,649-	19,220	94,811	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	2,288	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	6,600	6,600	6,600	6,600	6,600	42
-COMMON STOCK	13,530	13,319	14,424	19,600	19,600	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	507,112	429,112	389,239	442,912	452,180	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 507,112	$ 429,112	$ 389,239	$ 442,912	$ 452,180	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	54.6	59.1	60.8	57.6	53.4	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	16.8	14.3	17.0	17.4	16.0	49
TOTAL INCOME TAXES-OPERATING	0.7	0.2	1.0-	0.6-	2.8	50
OTHER TAXES-OPERATING	12.1	13.3	14.8	13.9	12.3	51
TOTAL OPERATING EXPENSES	84.3	87.0	91.6	88.3	84.5	52
OPERATING INCOME	15.6	12.9	8.3	11.6	15.4	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.7	4.7	4.7	4.7	4.4	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	5.4	6.5	8.2	9.6	8.2	55
PRETAX INTEREST COVERAGE	2.3	1.7	0.5	1.1	2.4	56
NET INCOME-PERCENT OF OPERATING REVENUES	6.6	4.4	-	1.8	9.0	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.4	0.4	0.5	0.6	0.6	58
TIMES EARNED	14.9	9.1	-	2.9	14.4	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	0.9	0.9	1.3	1.8	1.8	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	14.7	25.0	-	155.3	22.2	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	14.8	9.3	-	1.9	14.6	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	2.1	2.3	2.4	3.0	3.2	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEWPORT TELEPHONE COMPANY, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 98,130	$ 59,792	$ 32,649-	$ 19,220	$ 94,611
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	249,728	193,511	189,198	183,444	184,206
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	724	1,434-	12,230-	5,895-	27,879
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	8,869	1,754	1,848	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	357,451	253,623	146,158	196,769	306,696
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	357,451	253,623	146,158	196,769	306,696
10	LESS DIVIDENDS: PREFERRED	6,600	6,600	6,600	6,600	6,600
11	COMMON	13,530	13,319	14,424	19,600	19,600
12	NET FUNDS FROM INTERNAL SOURCES	337,321	233,704	125,134	170,569	280,496
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	108,236
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	97,120	-	23,330	24,031	639
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	97,120	-	23,330	24,031	108,875
20	OTHER SOURCES (NET)	66,322	58,096	95,860	61,490	64,278
21						
22						
23	TOTAL FUNDS PROVIDED	$ 500,783	$ 291,800	$ 244,324	$ 256,090	$ 453,649
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 285,837	$ 115,985	$ 149,468	$ 172,545	$ 375,666
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	5,515	-	-	-	-
27	TOTAL GROSS ADDITIONS	291,352	115,985	149,468	172,545	375,666
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	291,352	115,985	149,468	172,545	375,666
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	81,466	83,902	76,456	66,752	54,048
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	18,450	18,400	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	9,978	-	-	-
34	OTHER (NET):	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	81,466	112,330	94,856	66,752	54,048
37	OTHER USES (NET)	127,945	63,505	-	16,793	23,935
38						
39						
40	TOTAL FUNDS APPLIED	$ 500,783	$ 291,800	$ 244,324	$ 256,090	$ 453,649

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

NEWPORT TELEPHONE COMPANY, INC

TELEPHONE OPERATING REVENUES

ITEM	1985	1984	1983	1982	1981	LINE NO
OPERATING REVENUES						
LOCAL REVENUES	$ 522,517 $	473,635 $	371,732 $	341,521 $	323,863	1
ACCESS REVENUES	197,097					2
TOLL REVENUES	686,844	848,954	713,419	686,158	704,930	3
MISCELLANEOUS REVENUES	79,463	30,921	24,587	25,205	24,119	4
UNCOLLECTIBLE REVENUES-DR	8,888	7,056	3,429	6,212	2,787	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,477,033 $	1,346,454 $	1,106,309 $	1,046,672 $	1,050,125	6
TELEPHONE ACCESS LINES IN SERVICE	2,525	2,454	2,375	2,238	2,231	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 209.89	$ 196.16	$ 161.17	$ 152.84	$ 145.82	8
ACCESS REVENUE	79.17					9
TOLL REVENUE	275.90	351.61	309.31	307.07	317.39	10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM	1985	1984	1983	1982	1981	LINE NO
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 247,972 $	262,785 $	247,671 $	236,938 $	201,789	11
DEPRECIATION + AMORTIZATION EXPENSES	248,941	192,724	188,411	182,321	168,428	12
TRAFFIC EXPENSES	35,851	39,375	9,168	8,822	8,744	13
COMMERCIAL EXPENSES	69,692	61,952	51,468	45,112	59,819	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	306,680	285,306	225,799	219,589	189,511	16
OTHER OPERATING EXPENSES	147,410	147,686	139,369	93,088	101,479	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,056,546 $	989,788 $	861,875 $	785,868 $	729,769	18

TELEPHONE UTILITY PLANT

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 4,242,513 $	4,016,410 $	3,924,131 $	3,858,667 $	3,759,425	19
PLANT UNDER CONSTRUCTION	74,658	52,215	52,673	2,011	5,119	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	4,317,171	4,068,625	3,976,804	3,860,678	3,764,544	24
ACCUMULATED PROVISION FOR DEPR+AMORT	1,704,495	1,462,086	1,265,861	1,075,169	910,057	25
NET TELEPHONE PLANT	$ 2,612,676 $	2,606,539 $	2,710,943 $	2,785,509 $	2,854,487	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 4,016,410 $	3,924,131 $	3,858,667 $	3,759,425 $	3,444,844	27
ADDITIONS	263,394	108,160	84,302	177,942	425,758	28
RETIREMENTS	37,291	15,881	18,838	78,700	111,177	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 4,242,513 $	4,016,410 $	3,924,131 $	3,858,667 $	3,759,425	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

NEWPORT TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,477,034	$ 1,348,454	$ 1,108,309	$ 1,046,672	$ 1,050,124
2	ACCESS LINES (AVERAGE*)	2,490	2,415	2,307	2,235	2,221
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 421,896	$ 395,499	$ 366,363	$ 314,035	$ 267,063
4	OTHER OPERATION AND MAINTENANCE EXPENSES	385,709	401,565	307,101	289,512	294,278
5	DEPRECIATION AND AMORTIZATION EXPENSES	248,941	192,724	188,411	182,321	168,428
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	10,804	2,193	12,239-	7,698-	29,217
8	OTHER TAXES - OPERATING	178,838	180,316	164,516	146,472	129,320
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	80,053	87,446	90,780	99,982	86,426
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	6,600	6,600	6,600	6,600	6,600
11	EARNINGS AVAILABLE FOR COMMON EQUITY	144,195	80,111	5,223-	15,448	68,792
12	TOTAL	$ 1,477,034	$ 1,348,454	$ 1,108,309	$ 1,046,672	$ 1,050,124
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	28.6	29.3	33.1	30.0	25.4
14	OTHER OPERATION AND MAINTENANCE EXPENSES	26.1	29.8	27.8	27.7	28.0
15	DEPRECIATION AND AMORTIZATION EXPENSES	16.9	14.3	17.0	17.4	16.0
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	0.7	0.2	1.0-	0.6-	2.8
18	OTHER TAXES - OPERATING	12.1	13.4	14.9	14.0	12.3
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.4	6.5	8.2	9.6	8.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.5	0.6	0.6	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.8	5.9	0.4-	1.5	6.6
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 14.12	$ 13.65	$ 13.24	$ 11.71	$ 10.02
24	OTHER OPERATION AND MAINTENANCE EXPENSES	12.91	13.86	11.10	10.80	11.04
25	DEPRECIATION AND AMORTIZATION EXPENSES	8.33	6.65	6.81	6.80	6.32
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	0.36	0.08	0.43-	0.28-	1.10
28	OTHER TAXES - OPERATING	5.99	6.22	5.94	5.46	4.85
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.68	3.02	3.28	3.73	3.24
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.22	0.23	0.24	0.25	0.25
31	EARNINGS AVAILABLE FOR COMMON EQUITY	4.83	2.76	0.18-	0.58	2.58
32	TOTAL	$ 49.44	$ 46.47	$ 39.97	$ 39.03	$ 39.40

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

NEW YORK TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 15,188,458,739	$ 14,317,938,922	$ 15,155,500,357	$ 14,515,022,572	$ 13,629,113,642
2	ACCUMULATED PROVISION FOR DEPR+AMORT	4,052,800,147	3,582,356,608	3,295,550,086	3,027,892,452	2,711,266,792
3	NET TELEPHONE PLANT	11,135,658,592	10,735,582,314	11,859,950,271	11,487,130,120	10,917,846,850
4	INVESTMENTS IN AFFILIATED COMPANIES	81,838,045	62,556,733	62,522,126	65,484,360	65,448,036
5	ADVANCES TO AFFILIATED COMPANIES	162	-	-	43,070	31,930
6	MISCELLANEOUS PHYSICAL PROPERTY	14,647,294	20,011,898	10,339,353	9,920,927	11,053,678
7	OTHER INVESTMENTS AND FUNDS	2,507,394	2,867,750	3,202,724	4,780,611	5,412,440
8	TOTAL INVESTMENTS AND FUNDS	98,992,895	85,436,381	76,064,203	80,228,968	81,946,084
9	CASH AND WORKING FUNDS	69,468,535	92,349,664	57,972,093	61,753,479	35,703,287
10	SPECIAL CASH DEPOSITS	22,732,792	22,957,880	29,512,522	8,168,115	1,039,682
11	TEMPORARY CASH INVESTMENTS	6,275,570	3,028,639	9,781,523	54,853,716	74,157,166
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	12,683,641	28,260,871	43,250,104	14,357,033	8,881,194
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	285,036,020	313,803,568	33,807,194	35,395,796	24,060,541
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	1,075,972,710	924,813,940	1,044,219,323	1,006,338,503	851,950,543
15	MATERIALS AND SUPPLIES*	63,775,467	48,646,242	68,649,275	57,907,859	58,439,353
16	PREPAYMENTS	21,991,797	29,005,193	108,863,640	101,139,453	94,943,079
17	OTHER CURRENT AND ACCRUED ASSETS	3,780,895	874,940	937,830	1,143,963	3,371,082
18	TOTAL CURRENT AND ACCRUED ASSETS	1,561,717,427	1,463,741,517	1,396,993,504	1,341,057,917	1,161,845,937
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	79,910,452	82,817,631	40,723,819	34,587,600	35,793,563
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	503,049,099	381,080,439	288,000,239	157,782,997	78,278,730
23	TOTAL DEFERRED DEBITS	582,959,551	463,898,070	328,724,058	192,370,597	114,072,293
24	TOTAL ASSETS AND OTHER DEBITS	13,379,328,465	$ 12,748,658,282	$ 13,661,732,036	$ 13,100,787,602	$ 12,275,711,164
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 3,953,533,290	$ 3,924,189,409	$ 4,475,167,652	$ 4,464,235,753	$ 4,253,998,437
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	1,090,875,222	988,634,178	1,010,164,453	1,004,584,534	948,425,825
34	TOTAL PROPRIETARY CAPITAL	5,044,408,512	4,912,823,587	5,485,332,105	5,468,820,287	5,202,424,262
35	BONDS(LESS BONDS REACQUIRED)	3,681,569,000	3,782,007,000	3,752,000,000	3,602,000,000	3,727,000,000
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	413,800,021	183,101,531	100,206,393
37	OTHER LONG-TERM DEBT	21,240,728	21,618,656	3,802,643	3,852,717	3,898,865
38	TOTAL LONG-TERM DEBT	3,702,809,728	3,803,625,656	4,169,602,664	3,788,954,248	3,831,105,258
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	209,438,405	131,396,069	132,601,297	118,123,892	160,433,213
40	OTHER NOTES AND ACCOUNTS PAYABLE	945,155,540	763,283,006	669,320,982	825,482,617	604,435,638
41	CUSTOMERS' DEPOSITS	42,865,542	62,002,430	63,273,163	59,528,069	58,153,127
42	ADVANCE BILLING AND PAYMENTS	110,158,570	106,072,329	133,600,028	164,546,294	141,581,180
43	TAXES ACCRUED	184,789,717	212,036,669	80,668,305	112,728,607	66,594,645
44	OTHER CURRENT AND ACCRUED LIABILITIES	251,060,856	102,067,401	118,231,966	108,330,713	105,600,712
45	TOTAL CURRENT AND ACCRUED LIABILITIES	1,743,468,630	1,376,827,903	1,197,695,740	1,388,740,192	1,136,768,524
46	UNAMORTIZED PREMIUM ON DEBT	1,533,754	1,641,184	1,748,614	1,856,044	1,997,790
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	569,073,907	547,931,187	614,079,370	578,713,180	517,192,448
48	OTHER DEFERRED CREDITS	58,125,927	65,233,205	102,692,680	56,106,425	30,813,068
49	TOTAL DEFERRED CREDITS	628,733,588	614,805,576	718,520,664	636,675,649	550,003,306
50	OPERATING RESERVES	10,327,225	6,573,882	11,028,698	10,518,326	9,410,888
51	ACCUMULATED DEFERRED INCOME TAXES	2,249,580,782	2,034,001,678	2,079,552,165	1,807,078,900	1,545,998,926
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 13,379,328,465	$ 12,748,658,282	$ 13,661,732,036	$ 13,100,787,602	$ 12,275,711,164
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.22	2.30	2.10	2.10	2.20
54	CURRENT ASSETS/CURRENT LIABILITIES	0.90	1.06	1.17	0.97	1.02
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	42.3	43.6	43.1	40.9	42.4
56	PREFERRED STOCK	-	-	-	-	-
57	COMMON STOCK+OTHER PAID-IN CAPITAL	45.1	45.0	46.3	48.2	47.0
58	RETAINED EARNINGS	12.4	11.3	10.4	10.8	10.4
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	24.3	26.5	27.5	26.1	28.1
60	PERCENT OF NET TELEPHONE PLANT	33.2	35.4	35.1	32.9	35.0
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	26.6	25.0	21.7	20.8	19.9

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

STARTING WITH THE YEAR 1983 CERTAIN OPENING BALANCES DIFFER FROM THE CORRESPONDING CLOSING BALANCES OF THE PRIOR YEAR. THIS IS DUE PRIMARILY TO THE TRANSFER OF ASSETS TO AT&T INFORMATION SYSTEMS AND AT&T COMMUNICATIONS AS A RESULT OF THE DIVESTITURE AGREEMENT.

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

NEW YORK TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 6,633,947,992	$ 6,399,085,634	$ 7,052,122,204	$ 6,704,040,078	$ 5,952,858,497	1
OPERATION AND MAINTENANCE EXPENSE	3,427,884,066	3,312,183,329	3,756,701,479	3,701,041,719	3,169,138,798	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	850,546,537	781,896,131	836,257,220	766,122,598	732,738,068	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	843,377,922	951,457,983	1,001,082,561	850,744,283	758,388,165	6
INCOME TAXES-OPERATING	241,756,477	98,201,190	108,371,063	106,957,789	124,135,989	7
OPERATING INCOME TAXES DEFERRED	362,256,191	370,098,733	365,238,400	330,145,569	264,090,495	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	74,028,132-	63,941,427-	39,158,337-	22,790,652-	28,839,431-	9
TOTAL OPERATING EXPENSES	5,651,794,061	5,446,895,899	6,029,073,376	5,734,221,286	5,019,652,064	10
TOTAL TELEPHONE OPERATING INCOME	982,153,931	952,189,735	1,023,048,828	969,818,792	933,206,433	11
OTHER INCOME						
DIVIDEND INCOME	11,083,183	7,200,000	7,200,000	7,200,000	11,820,000	12
INTEREST INCOME	8,528,124	10,648,370	15,779,315	16,635,429	15,184,565	13
ALLOWANCE FOR CONSTRUCTION FUNDS	48,128,789	42,548,685	40,295,324	42,882,288	28,470,731	14
INCOME FROM SINKING AND OTHER FUNDS	60,818	60,818	58,223	45,739	45,739	15
INCOME FROM MISC. PHYSICAL PROPERTY	536,698-	2,077,109	713,487-	1,228,257-	700,111-	16
MISCELLANEOUS INCOME	3,088,465	21,683,808	374,618-	2,286,696	1,386,314	17
TOTAL OTHER INCOME	70,352,681	84,214,788	62,244,757	67,821,895	56,207,258	18
TOTAL INCOME	1,052,506,612	1,036,404,523	1,085,293,585	1,037,640,687	989,413,691	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	861,580	2,784,932	1,993,100	3,047,341	870,011	20
INCOME TAXES-NONOPERATING	2,298,032	11,772,324	1,048,632	1,910,526	3,639,255	21
MISCELLANEOUS INCOME CHARGES	10,135,185	8,829,636	11,569,142	10,029,706	8,374,014	22
TOTAL INCOME DEDUCTIONS	13,294,797	23,366,892	14,610,874	14,987,573	12,883,280	23
INCOME BEFORE INTEREST CHARGES	1,039,211,815	1,013,037,631	1,070,682,711	1,022,653,114	976,530,411	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	314,107,599	324,386,862	315,450,944	306,993,479	276,030,111	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	2,390,930	1,472,169	1,325,614	1,214,161	1,049,286	26
AMORT. OF PREMIUM ON DEBT-CREDIT	107,430-	107,430-	107,430-	141,746-	170,783-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	32,326,718	34,177,483	88,599,285	82,994,428	76,422,387	29
TOTAL INTEREST CHARGES	348,717,817	359,929,084	405,268,413	391,060,322	353,331,001	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	690,493,998	653,108,547	665,414,298	631,592,792	623,199,410	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	2,312,864	3,639,781	1,054,254	1,310,348	4,777,621	32
EXTRAORDINARY/DELAYED INCOME CHARGES	2,414,769-	7,715,318-	37,663,660-	177,279-	551,946-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	2,920,474-	11,475,637-	7,082,910-	587,152	2,120,703	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	2,818,569	7,400,082	29,526,496-	565,917	2,104,972	35
NET INCOME	$ 693,312,567	$ 660,508,629	$ 635,887,802	$ 632,158,709	$ 625,304,382	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 998,634,178	$ 889,917,549	$ 999,816,538	$ 948,425,825	$ 833,204,443	37
BALANCE TRANSFERRED FROM INCOME	693,312,567	660,508,629	635,887,802	632,158,709	625,304,382	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	3,767,523	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	597,304,000	561,792,000	625,539,887	576,000,000	510,083,000	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,090,875,222	988,634,178	1,010,164,453	1,004,584,534	948,425,825	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 1,090,875,222	$ 988,634,178	$ 1,010,164,453	$ 1,004,584,534	$ 948,425,825	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	51.6	51.7	53.2	55.2	53.2	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	12.8	12.2	11.8	11.4	12.3	49
TOTAL INCOME TAXES-OPERATING	8.0	6.3	6.2	6.2	6.0	50
OTHER TAXES-OPERATING	12.7	14.8	14.2	12.6	12.7	51
TOTAL OPERATING EXPENSES	85.1	85.1	85.4	85.5	84.3	52
OPERATING INCOME	14.8	14.8	14.5	14.4	15.6	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.5	5.4	5.5	5.2	5.3	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	5.3	5.6	5.7	5.8	5.9	55
PRETAX INTEREST COVERAGE	4.5	4.0	3.7	3.7	3.8	56
NET INCOME-PERCENT OF OPERATING REVENUES	10.4	10.3	9.0	9.4	10.5	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	58
TIMES EARNED	-	-	-	-	-	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	8.8	8.7	8.8	8.5	8.5	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	84.7	85.0	98.3	91.1	81.5	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	13.9	12.7	11.8	11.8	12.3	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	11.7	10.8	11.4	10.7	10.0	63

STARTING WITH THE YEAR 1983 CERTAIN OPENING BALANCES DIFFER FROM THE CORRESPONDING CLOSING BALANCES OF THE PRIOR YEAR. THIS IS DUE PRIMARILY TO THE TRANSFER OF ASSETS TO AT&T INFORMATION SYSTEMS AND AT&T COMMUNICATIONS AS A RESULT OF THE DIVESTITURE AGREEMENT.

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEW YORK TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 688,493,998	$ 663,108,547	$ 665,414,298	$ 631,592,792	$ 623,199,411
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	852,830,037	753,260,870	837,475,404	789,982,020	751,883,764
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	238,721,824	281,030,272	311,293,525	320,600,706	254,106,643
4	INTEREST CAPITALIZED	48,128,789-	42,546,685-	40,295,324-	42,882,288-	28,470,731-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,731,917,070	1,654,853,004	1,773,887,903	1,699,293,230	1,600,719,087
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	2,818,569	7,400,382	29,526,496-	565,917	2,104,971
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,734,735,639	1,662,253,386	1,744,361,407	1,699,859,147	1,602,824,058
10	LESS DIVIDENDS PREFERRED	-	-	-	-	-
11	COMMON	587,304,000	561,792,000	625,539,887	576,000,000	510,083,000
12	NET FUNDS FROM INTERNAL SOURCES	1,147,431,639	1,100,461,386	1,118,821,520	1,123,859,147	1,092,741,058
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	47,822,692	380,648,416	83,963,586	439,953,218
14	PREFERRED STOCK		-	-	-	-
15	COMMON STOCK	29,343,881	56,000,692	10,931,899	210,237,316	185,014,240
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	207,982,000	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	29,343,881	103,823,384	391,580,315	502,182,902	624,967,458
20	OTHER SOURCES (NET)	281,883,898	275,737,011	100,340,866	-	
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,458,659,418	$ 1,480,021,781	$ 1,610,742,701	$ 1,626,042,049	$ 1,717,708,516
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 1,261,096,620	$ 1,187,298,901	$ 1,241,130,230	$ 1,347,515,135	$ 1,437,026,131
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	1,261,096,620	1,187,298,901	1,241,130,230	1,347,515,135	1,437,026,131
28	LESS INTEREST CAPITALIZED	48,128,789	42,546,685	40,295,324	42,882,288	28,470,731
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,212,967,831	1,144,752,216	1,200,834,906	1,304,632,847	1,408,555,400
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	100,815,928	-	-	126,114,596	90,032,220
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	24,000,000	228,883,000	339,594,000	-	124,060,000
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	124,815,928	228,883,000	339,594,000	126,114,596	214,092,220
37	OTHER USES (NET)	120,875,659	106,386,565	70,313,795	195,294,606	95,060,896
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,458,659,418	$ 1,480,021,781	$ 1,610,742,701	$ 1,626,042,049	$ 1,717,708,516

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT.

YEARS ENDING DECEMBER 31

NEW YORK TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 4,074,886,050	$ 3,822,505,176	$ 4,081,785,998	$ 3,931,369,038	$ 3,447,875,258	1
ACCESS REVENUES	1,696,874,464					2
TOLL REVENUES	484,646,319	801,385,696	2,842,237,148	2,649,148,592	2,391,864,767	3
MISCELLANEOUS REVENUES	417,751,182	2,018,068,596	215,393,693	190,805,680	170,867,832	4
UNCOLLECTIBLE REVENUES-OR	40,210,023	42,873,834	87,294,635	67,283,232	57,349,360	5
TOTAL TELEPHONE OPERATING REVENUE	$ 6,633,947,992	$ 6,399,085,634	$ 7,052,122,204	$ 6,704,040,078	$ 5,952,858,497	6
TELEPHONE ACCESS LINES IN SERVICE	8,819,528	8,508,632	8,387,628	8,211,122	8,210,039	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 470 37	$ 453 33	$ 492 71	$ 478 82	$ 423 53	8
ACCESS REVENUE	195 87					9
TOLL REVENUE	55 94	71 32	343 08	322 65	293 83	10

*YEAR END AVERAGE

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 1,467,388,606	$ 1,439,681,316	$ 1,687,171,946	$ 1,562,500,525	$ 1,269,658,801	11
DEPRECIATION + AMORTIZATION EXPENSES	880,546,537	781,896,131	836,257,220	768,122,598	732,738,068	12
TRAFFIC EXPENSES	200,389,951	202,941,427	275,629,707	295,605,342	278,490,674	13
COMMERCIAL EXPENSES	494,638,904	553,874,304	665,738,048	714,521,275	619,489,043	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	439,781,784	405,719,950	440,401,781	394,776,011	356,104,948	16
OTHER OPERATING EXPENSES	825,726,821	706,966,332	707,760,019	733,438,566	645,355,332	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 4,278,430,603	$ 4,094,079,460	$ 4,592,358,699	$ 4,469,164,317	$ 3,901,876,866	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 14,719,715,570	$ 13,841,107,927	$ 14,744,350,597	$ 14,071,901,952	$ 13,191,498,424	19
PLANT UNDER CONSTRUCTION	468,373,324	474,966,589	410,502,315	443,088,844	437,427,545	20
PROPERTY HELD FOR FUTURE USE	369,845	1,864,406	647,445	31,776	187,673	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	15,188,458,739	14,317,938,922	15,155,500,357	14,515,022,572	13,629,113,642	24
ACCUMULATED PROVISION FOR DEPR+AMORT	4,052,800,147	3,582,356,608	3,295,550,086	3,027,892,452	2,711,266,792	25
NET TELEPHONE PLANT	$ 11,135,658,592	$ 10,735,582,314	$ 11,859,950,271	$ 11,487,130,120	$ 10,917,846,850	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 13,841,107,927	$ 12,947,130,885	$ 14,082,711,803	$ 13,191,498,424	$ 12,286,885,798	27
ADDITIONS	1,270,333,401	1,084,656,630	1,271,388,795	1,340,123,655	1,316,487,442	28
RETIREMENTS	389,587,152	252,947,215	589,750,001	459,720,127	411,874,816	29
TRANSFERS AND ADJUSTMENTS	2,138,606-	62,267,608	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 14,719,715,570	$ 13,841,107,927	$ 14,744,350,597	$ 14,071,901,952	$ 13,191,498,424	31

STARTING WITH THE YEAR 1983 CERTAIN OPENING BALANCES DIFFER FROM THE CORRESPONDING CLOSING BALANCES OF THE PRIOR YEAR. THIS IS DUE PRIMARILY TO THE TRANSFER OF ASSETS TO AT&T INFORMATION SYSTEMS AND AT&T COMMUNICATIONS AS A RESULT OF THE DIVESTITURE AGREEMENT

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

NEW YORK TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 6,633,947,992	$ 6,399,085,634	$ 7,052,122,204	$ 6,704,040,078	$ 5,952,858,497
2	ACCESS LINES (AVERAGE*)	8,663,080	8,432,130	8,284,375	8,210,581	8,140,428
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 1,914,482,736	$ 2,178,541,378	$ 2,654,508,566	$ 2,609,399,082	$ 2,258,841,613
4	OTHER OPERATION AND MAINTENANCE EXPENSES	1,513,401,330	1,133,841,951	1,102,192,913	1,091,642,857	910,297,185
5	DEPRECIATION AND AMORTIZATION EXPENSES	850,544,537	781,896,131	838,257,220	768,122,598	732,738,068
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	529,985,538	401,358,456	434,452,118	414,312,708	359,387,033
8	OTHER TAXES - OPERATING	843,377,922	951,457,983	1,001,662,561	850,744,263	758,388,165
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	332,787,188	344,867,558	391,647,788	376,197,750	344,149,190
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	649,386,743	607,322,177	631,401,040	593,621,042	589,057,243
12	TOTAL	$ 6,633,947,992	$ 6,399,085,634	$ 7,052,122,204	$ 6,704,040,078	$ 5,952,858,497
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	28.9	34.0	37.6	38.9	37.9
14	OTHER OPERATION AND MAINTENANCE EXPENSES	22.8	17.7	15.6	16.3	15.3
15	DEPRECIATION AND AMORTIZATION EXPENSES	12.8	12.2	11.9	11.5	12.3
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	8.0	6.3	6.2	6.2	6.0
18	OTHER TAXES - OPERATING	12.7	14.9	14.2	12.7	12.7
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.0	5.4	5.6	5.6	5.8
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.8	9.5	9.0	8.9	9.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 18.42	$ 21.53	$ 26.70	$ 26.48	$ 23.12
24	OTHER OPERATION AND MAINTENANCE EXPENSES	14.56	11.20	11.09	11.08	9.32
25	DEPRECIATION AND AMORTIZATION EXPENSES	8.18	7.73	8.41	7.80	7.50
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	5.10	3.97	4.37	4.21	3.68
28	OTHER TAXES - OPERATING	8.11	9.40	10.08	8.63	7.76
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.20	3.41	3.94	3.82	3.52
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	6.25	6.00	6.35	6.02	6.03
32	TOTAL	$ 63.81	$ 63.24	$ 70.94	$ 68.04	$ 60.94

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

NICHOLVILLE TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 2,518,950	$ 2,416,738	$ 2,383,114	$ 2,178,448	$ 2,124,601
2	ACCUMULATED PROVISION FOR DEPR+AMORT	625,533	598,712	494,175	338,547	268,742
3	NET TELEPHONE PLANT	1,893,417	1,818,026	1,888,939	1,839,901	1,855,859
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	869	803	711	-	-
7	OTHER INVESTMENTS AND FUNDS	8,000	3,000	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	8,869	3,803	711	-	-
9	CASH AND WORKING FUNDS	91,777	39,885	7,622	11,773	1,559
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	121,293	105,225	20,780	20,682	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	102,473	80,586	46,091	33,548	-
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	49,592	64,130	91,279	82,961	55,270
15	MATERIALS AND SUPPLIES*	34,058	32,147	34,935	24,820	14,091
16	PREPAYMENTS	23,792	14,810	15,784	16,903	20,334
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	422,985	336,783	216,491	190,687	91,254
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	10,982	7,939	8,235	8,532	8,829
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	33	-	-	-	19,120
23	TOTAL DEFERRED DEBITS	11,015	7,939	8,235	8,532	27,949
24	TOTAL ASSETS AND OTHER DEBITS	2,338,286	$ 2,166,551	$ 2,094,376	$ 2,039,120	$ 1,975,062
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 41,000	$ 41,000	$ 41,000	$ 41,000	$ 41,000
26	PREFERRED CAPITAL STOCK	100,000	100,000	100,000	100,000	100,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	3,851-	3,851-	3,851-	3,851-	3,851-
33	RETAINED EARNINGS	489,411	368,407	268,598	223,904	131,184
34	TOTAL PROPRIETARY CAPITAL	626,560	505,556	405,747	361,052	268,333
35	BONDS(LESS BONDS REACQUIRED)	1,424,413	1,452,019	1,478,208	1,503,145	1,525,028
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	1,424,413	1,452,019	1,478,208	1,503,145	1,525,028
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	73,750	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	127,880	96,843	61,449	94,917	145,434
41	CUSTOMERS'DEPOSITS	2,200	4,400	-	-	-
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	1,167-	3,190	1,817	6,180	155-
44	OTHER CURRENT AND ACCRUED LIABILITIES	19,820	13,650	15,255	22,514	15,076
45	TOTAL CURRENT AND ACCRUED LIABILITIES	148,733	118,083	152,271	123,611	160,355
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	92,905	72,931	51,121	48,805	21,142
48	OTHER DEFERRED CREDITS	413	227	71	-	-
49	TOTAL DEFERRED CREDITS	93,318	73,158	51,192	48,805	21,142
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	43,262	17,735	6,958	2,507	204
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 2,338,286	$ 2,166,551	$ 2,094,376	$ 2,039,120	$ 1,975,062
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.78	2.96	3.22	3.25	4.29
54	CURRENT ASSETS/CURRENT LIABILITIES	2.84	2.85	1.42	1.54	0.57
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	69.4	74.1	78.4	80.6	85.0
56	PREFERRED STOCK	4.8	5.1	5.3	5.3	5.5
57	COMMON STOCK+OTHER PAID-IN CAPITAL	1.8	1.8	1.9	1.9	2.0
58	RETAINED EARNINGS	23.8	18.8	14.2	12.0	7.3
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	56.5	60.0	62.5	69.0	71.7
60	PERCENT OF NET TELEPHONE PLANT	75.2	79.8	79.0	81.6	82.1
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	24.8	24.7	20.9	15.5	12.6

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

NICHOLVILLE TELEPHONE COMPANY, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 886,250	$ 808,551	$ 704,895	$ 662,847	$ 487,355	1
OPERATION AND MAINTENANCE EXPENSE	429,279	378,430	317,890	283,999	218,658	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	140,659	132,577	166,075	90,791	87,851	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	79,743	85,273	80,624	77,413	61,065	6
INCOME TAXES-OPERATING	4,434-	31,074	5,939	32,866	6,220	7
OPERATING INCOME TAXES DEFERRED	25,527	10,777	4,451	2,303	204	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	32,809	-	-	-	-	9
TOTAL OPERATING EXPENSES	703,583	638,131	574,979	487,372	373,998	10
TOTAL TELEPHONE OPERATING INCOME	182,667	172,420	129,916	175,475	113,357	11
OTHER INCOME						
DIVIDEND INCOME	8,871	-	-	-	-	12
INTEREST INCOME	-	5,259	1,594	894	-	13
ALLOWANCE FOR CONSTRUCTION FUNDS	8,700	5,442	3,259	1,799	172	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	5-	384	159	-	-	16
MISCELLANEOUS INCOME	12,935	11,420	4,699	17,688	2,058	17
TOTAL OTHER INCOME	30,501	22,505	9,711	20,381	2,230	18
TOTAL INCOME	213,168	194,925	139,627	195,856	115,587	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	298	215	240	796	-	20
INCOME TAXES-NONOPERATING	5,998	3,489	925	3,288	-	21
MISCELLANEOUS INCOME CHARGES	816	770	311	95	60	22
TOTAL INCOME DEDUCTIONS	7,112	4,474	1,476	4,179	60	23
INCOME BEFORE INTEREST CHARGES	206,056	190,451	138,151	191,677	115,527	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	71,833	73,224	74,500	75,708	76,309	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	297	297	297	297	297	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	4,462	8,661	10,200	14,492	7,712	29
TOTAL INTEREST CHARGES	76,592	82,182	84,997	90,497	84,318	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	129,464	108,269	53,154	101,180	31,209	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 129,464	$ 108,269	$ 53,154	$ 101,180	$ 31,209	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 368,407	$ 268,598	$ 223,904	$ 131,184	$ 108,435	37
BALANCE TRANSFERRED FROM INCOME	129,464	108,269	53,154	101,180	31,209	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	6,000	6,000	6,000	6,000	6,000	42
-COMMON STOCK	2,460	2,460	2,460	2,460	2,460	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	489,411	368,407	268,598	223,904	131,184	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 489,411	$ 368,407	$ 268,598	$ 223,904	$ 131,184	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	48.4	46.5	45.0	42.8	44.8	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	15.8	16.3	23.5	13.6	18.0	49
TOTAL INCOME TAXES-OPERATING	6.1	5.2	1.5	5.3	1.3	50
OTHER TAXES-OPERATING	8.9	10.5	11.4	11.6	12.5	51
TOTAL OPERATING EXPENSES	79.3	78.6	81.5	73.5	76.7	52
OPERATING INCOME	20.6	21.3	18.4	26.4	23.2	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.5	5.4	7.0	4.1	4.1	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	8.6	10.2	12.1	13.7	17.3	55
PRETAX INTEREST COVERAGE	3.3	2.7	1.7	2.5	1.4	56
NET INCOME-PERCENT OF OPERATING REVENUES	14.6	13.3	7.5	15.2	6.4	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.6	0.7	0.8	0.9	1.2	58
TIMES EARNED	21.6	18.0	8.9	16.9	5.2	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	0.2	0.3	0.3	0.3	0.5	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	1.9	2.4	5.2	2.5	9.7	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	26.4	28.7	18.6	44.3	16.0	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	0.5	0.6	0.8	1.1	1.5	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NICHOLVILLE TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 129,464	$ 108,269	$ 53,154	$ 101,180	$ 31,209
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	150,895	142,423	176,627	126,312	93,949
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	45,501	32,587	6,767	-	4,041
4	INTEREST CAPITALIZED	8,700-	5,442-	3,259-	1,799-	172-
5	OTHER (NET):	-	-	-	-	-
6		-				
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	317,160	277,837	233,289	225,693	129,027
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	317,160	277,837	233,289	225,693	129,027
10	LESS DIVIDENDS: PREFERRED	6,000	6,000	6,000	6,000	6,000
11	COMMON	2,460	2,460	2,460	2,460	2,460
12	NET FUNDS FROM INTERNAL SOURCES	308,700	269,377	224,829	217,233	120,567
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	50,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	50,000
20	OTHER SOURCES (NET)	-	-	321	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 308,700	$ 269,377	$ 225,150	$ 217,233	$ 170,567
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 226,100	$ 91,354	$ 202,761	$ 79,998	$ 89,996
25	NON-UTILITY PLANT	66	92	711	-	
26	OTHER	5,000	3,000	-	-	-
27	TOTAL GROSS ADDITIONS	231,166	94,446	203,472	79,998	89,996
28	LESS INTEREST CAPITALIZED	8,700	5,442	3,259	1,799	172
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	222,466	89,004	200,213	78,199	89,824
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	27,606	26,189	24,937	21,883	15,250
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	27,606	26,189	24,937	21,883	15,250
37	OTHER USES (NET)	58,628	154,184	-	117,151	65,493
38						
39						
40	TOTAL FUNDS APPLIED	$ 308,700	$ 269,377	$ 225,150	$ 217,233	$ 170,567

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

NICHOLVILLE TELEPHONE COMPANY, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO.
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 266,841 $	252,420 $	242,375 $	236,824 $	232,786	1
ACCESS REVENUES	228,151					2
TOLL REVENUES	339,258	544,770	453,251	415,459	246,354	3
MISCELLANEOUS REVENUES	57,382	19,022	12,698	12,420	13,162	4
UNCOLLECTIBLE REVENUES-DR	2,382	7,661	3,429	1,856	4,947	5
TOTAL TELEPHONE OPERATING REVENUE	$ 889,250 $	808,551 $	704,895 $	662,847 $	487,355	6
TELEPHONE ACCESS LINES IN SERVICE	1,791	1,750	1,714	1,731	1,697	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 150.15	$ 145.74	$ 140.71	$ 138.17	$ 137.95	8
ACCESS REVENUE	127.73					9
TOLL REVENUE	191.62	314.53	263.14	242.39	145.99	10

*YEAR END AVERAGE

ITEM	1985	1984	1983	1982	1981	LINE NO.
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 131,066 $	120,366 $	109,356 $	102,655 $	82,869	11
DEPRECIATION + AMORTIZATION EXPENSES	140,659	132,577	166,075	90,791	87,951	12
TRAFFIC EXPENSES	27,797	26,948	8,393	8,067	9,714	13
COMMERCIAL EXPENSES	31,437	28,231	31,708	29,000	19,418	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	189,038	158,473	115,686	88,315	78,071	16
OTHER OPERATING EXPENSES	49,941	42,412	52,747	55,962	28,586	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 569,938 $	509,007 $	483,965 $	374,790 $	306,609	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 2,493,805 $	2,285,781 $	2,284,038 $	2,131,982 $	2,115,174	19
PLANT UNDER CONSTRUCTION	25,145	130,957	79,076	46,466	9,427	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	2,518,950	2,416,738	2,363,114	2,178,448	2,124,601	24
ACCUMULATED PROVISION FOR DEPR+AMORT	625,533	598,712	494,175	338,547	268,742	25
NET TELEPHONE PLANT	$ 1,893,417 $	1,818,026 $	1,868,939 $	1,839,901 $	1,855,859	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,285,781 $	2,284,038 $	2,131,982 $	2,115,174 $	1,891,010	27
ADDITIONS	343,549	37,230	167,409	42,959	246,474	28
RETIREMENTS	135,525	35,487	15,353	26,151	22,310	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 2,493,805 $	2,285,781 $	2,284,038 $	2,131,982 $	2,115,174	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

NICHOLVILLE TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 886,250	$ 808,551	$ 704,895	$ 662,847	$ 487,355
2	ACCESS LINES (AVERAGE*)	1,771	1,732	1,723	1,714	1,688
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 230,587	$ 207,468	$ 174,144	$ 155,084	$ 112,936
4	OTHER OPERATION AND MAINTENANCE EXPENSES	198,692	168,962	143,746	128,915	105,862
5	DEPRECIATION AND AMORTIZATION EXPENSES	140,669	132,577	166,075	90,791	87,851
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	53,902	41,881	10,390	35,169	6,424
8	OTHER TAXES - OPERATING	79,743	85,273	80,624	77,413	61,066
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	73,077	79,744	82,963	89,650	84,193
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	5,704	5,798	5,837	5,933	5,990
11	EARNINGS AVAILABLE FOR COMMON EQUITY	103,886	86,877	41,116	79,892	23,174
12	TOTAL	$ 886,250	$ 808,551	$ 704,895	$ 662,847	$ 487,355
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	26.0	25.7	24.7	23.4	23.2
14	OTHER OPERATION AND MAINTENANCE EXPENSES	22.4	20.9	20.4	19.4	21.7
15	DEPRECIATION AND AMORTIZATION EXPENSES	15.9	16.4	23.6	13.7	18.0
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	6.1	5.2	1.5	5.3	1.3
18	OTHER TAXES - OPERATING	9.0	10.5	11.4	11.7	12.5
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.2	9.9	11.8	13.5	17.3
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.7	0.8	0.9	1.2
21	EARNINGS AVAILABLE FOR COMMON EQUITY	11.7	10.7	5.8	12.1	4.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 10.85	$ 9.98	$ 8.42	$ 7.54	$ 5.58
24	OTHER OPERATION AND MAINTENANCE EXPENSES	9.35	8.13	6.95	6.27	5.22
25	DEPRECIATION AND AMORTIZATION EXPENSES	6.62	6.38	8.03	4.41	4.34
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.54	2.01	0.50	1.71	0.32
28	OTHER TAXES - OPERATING	3.75	4.10	3.90	3.76	3.02
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.44	3.84	4.01	4.36	4.16
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.27	0.28	0.28	0.29	0.30
31	EARNINGS AVAILABLE FOR COMMON EQUITY	4.89	4.18	1.99	3.88	1.14
32	TOTAL	$ 41.71	$ 38.90	$ 34.10	$ 32.23	$ 24.07

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

OGDEN TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 19,437,113	$ 18,564,148	$ 17,737,731	$ 17,216,737	$ 16,870,959
2	ACCUMULATED PROVISION FOR DEPR+AMORT	5,910,722	4,976,311	5,287,782	4,553,512	4,110,533
3	NET TELEPHONE PLANT	13,526,391	13,587,837	12,449,949	12,663,225	12,760,426
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	170,768	89,751	95,106	68,164	24,250
7	OTHER INVESTMENTS AND FUNDS	10,000	5,000	2,000	2,000	2,000
8	TOTAL INVESTMENTS AND FUNDS	180,768	94,751	97,106	70,164	26,250
9	CASH AND WORKING FUNDS	118,613	94,974	308,572	148,871	368,160
10	SPECIAL CASH DEPOSITS	2,320	2,368	4,788	4,406	4,299
11	TEMPORARY CASH INVESTMENTS	-	-	413,522	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	21,847	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	13,400	180,354	18,922	26,081	304,213
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	177,450	-	452,948	429,473	388,973
15	MATERIALS AND SUPPLIES*	699,325	70,508	129,979	182,387	296,992
16	PREPAYMENTS	137,579	375,400	114,268	111,826	155,603
17	OTHER CURRENT AND ACCRUED ASSETS	72,942	748,186	66,708	62,292	61,481
18	TOTAL CURRENT AND ACCRUED ASSETS	1,221,638	1,493,604	1,509,701	961,346	1,577,721
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	261,057	-	281,577	118,153	122,425
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	11,438	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	14,808	-	5,898-	7,114	4,651
23	TOTAL DEFERRED DEBITS	275,865	11,438	275,679	125,267	127,076
24	TOTAL ASSETS AND OTHER DEBITS	15,204,662 $	15,187,628 $	14,332,435 $	13,820,002 $	14,491,473
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 1,136,294	$ 1,132,294	$ 1,132,294	$ 1,132,183	$ 1,132,183
26	PREFERRED CAPITAL STOCK	1,499,200	1,503,200	1,503,200	1,503,300	1,503,300
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	1,887,422	1,597,295	1,341,616	1,111,644	1,082,689
34	TOTAL PROPRIETARY CAPITAL	4,522,916	4,232,789	3,977,110	3,747,127	3,718,172
35	BONDS(LESS BONDS REACQUIRED)	9,052,686	9,117,834	9,150,000	9,150,000	9,150,000
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	9,052,686	9,117,834	9,150,000	9,150,000	9,150,000
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	1,149,494	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	751,066	8,855	383,682	452,172	863,981
41	CUSTOMERS'DEPOSITS	-	-	10,710	15,460	27,340
42	ADVANCE BILLING AND PAYMENTS	73	235	-	73	447
43	TAXES ACCRUED	54,942	274	55,751	17,512	49,055
44	OTHER CURRENT AND ACCRUED LIABILITIES	1,782	24,845	208,000	3,799	297,022
45	TOTAL CURRENT AND ACCRUED LIABILITIES	807,863	1,183,703	658,143	489,016	1,237,845
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	276,920	190,753	88,248	27,943	3,755
48	OTHER DEFERRED CREDITS	21,537	-	-	-	-
49	TOTAL DEFERRED CREDITS	298,457	190,753	88,248	27,943	3,755
50	OPERATING RESERVES	80,753	61,969	60,701	62,686	67,578
51	ACCUMULATED DEFERRED INCOME TAXES	441,988	400,580	398,233	343,230	314,123
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 15,204,662	$ 15,187,628	$ 14,332,435	$ 13,820,002	$ 14,491,473
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	3.90	3.88	3.89	3.93	3.91
54	CURRENT ASSETS/CURRENT LIABILITIES	1.51	1.26	2.29	1.97	1.27
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	66.6	68.2	69.7	70.9	71.1
56	PREFERRED STOCK	11.0	11.2	11.4	11.6	11.6
57	COMMON STOCK+OTHER PAID-IN CAPITAL	8.3	8.4	8.6	8.7	8.7
58	RETAINED EARNINGS	13.9	11.9	10.2	8.6	8.4
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	46.5	49.1	51.5	53.1	54.2
60	PERCENT OF NET TELEPHONE PLANT	66.9	67.1	73.4	72.2	71.7
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	30.4	26.8	29.8	26.4	24.3

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

OGDEN TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 5,427,622	$ 4,953,892	$ 4,732,718	$ 4,341,528	$ 4,241,328	1
OPERATION AND MAINTENANCE EXPENSE	2,074,492	1,839,869	1,731,111	1,648,427	1,730,903	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	1,029,966	1,028,866	874,736	709,044	684,916	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	734,997	658,277	627,808	560,067	507,550	6
INCOME TAXES-OPERATING	156,406	174,759	177,425	34,489	14,564	7
OPERATING INCOME TAXES DEFERRED	81,217	34,002	2,816	45,042	22,158	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	36,259-	27,776-	23,168-	14,150-	8,541-	9
TOTAL OPERATING EXPENSES	4,041,808	3,709,646	3,390,729	2,972,939	2,951,550	10
TOTAL TELEPHONE OPERATING INCOME	1,385,814	1,249,246	1,341,989	1,368,589	1,289,776	11
OTHER INCOME						
DIVIDEND INCOME	240	240	235	230	230	12
INTEREST INCOME	924	42,428	24,860	17,083	5,688	13
ALLOWANCE FOR CONSTRUCTION FUNDS	22,255	50,149	23,022	18,990	18,346	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	2,782	2,967	5,447	-	-	16
MISCELLANEOUS INCOME	60,123	71,883	10,321	1,105-	1,588	17
TOTAL OTHER INCOME	86,324	167,667	63,885	35,198	25,852	18
TOTAL INCOME	1,472,138	1,416,913	1,405,874	1,403,787	1,315,628	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	1,802	1,550	1,797	560	567	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	5,280	4,647	4,054	5,525	3,465	22
TOTAL INCOME DEDUCTIONS	7,082	6,197	5,851	6,085	4,032	23
INCOME BEFORE INTEREST CHARGES	1,465,076	1,410,716	1,400,023	1,397,702	1,311,596	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	866,239	870,928	910,950	1,120,156	877,677	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	10,280	10,280	10,280	4,271	4,271	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	46,276	27,176	5,372	10,471	155,181	29
TOTAL INTEREST CHARGES	922,795	908,384	926,602	1,134,898	1,037,129	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	542,281	502,382	473,421	262,804	274,467	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 542,281	$ 502,382	$ 473,421	$ 262,804	$ 274,467	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 1,597,298	$ 1,341,616	$ 1,111,644	$ 1,082,689	$ 1,042,072	37
BALANCE TRANSFERRED FROM INCOME	542,281	502,382	473,421	262,804	274,467	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	114,546	114,706	114,690	114,714	114,714	42
-COMMON STOCK	137,600	131,974	128,758	119,138	119,136	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,887,422	1,597,298	1,341,617	1,111,643	1,082,689	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 1,887,422	$ 1,597,295	$ 1,341,616	$ 1,111,644	$ 1,082,689	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	38.2	37.1	36.5	37.9	40.8	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	18.9	20.7	18.4	16.3	16.1	49
TOTAL INCOME TAXES-OPERATING	3.7	3.7	3.3	1.5	0.7	50
OTHER TAXES-OPERATING	13.5	13.2	13.2	12.6	11.9	51
TOTAL OPERATING EXPENSES	74.4	74.8	71.6	68.4	69.5	52
OPERATING INCOME	25.5	25.1	28.3	31.5	30.4	53
DEPR. AND AMORT. % OF TELEPHONE PLANT	5.2	5.5	4.9	4.1	4.0	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	17.0	18.3	19.6	26.1	24.5	55
PRETAX INTEREST COVERAGE	1.8	1.7	1.7	1.3	1.3	56
NET INCOME-PERCENT OF OPERATING REVENUES	9.9	10.1	10.0	6.0	6.4	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	2.1	2.3	2.4	2.6	2.7	58
TIMES EARNED	4.7	4.4	4.1	2.3	2.4	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	2.5	2.6	2.7	2.7	2.8	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	32.1	34.0	35.8	80.4	74.5	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	14.8	14.8	15.2	6.6	7.2	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	4.7	5.0	5.4	5.3	5.4	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

OGDEN TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 542,281	$ 502,362	$ 473,421	$ 282,804	$ 274,467
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	1,091,444	1,076,168	912,593	742,406	761,321
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	127,585	104,851	115,308	53,296	17,372
4	INTEREST CAPITALIZED	22,256-	50,149-	23,022-	18,990-	18,346-
5	OTHER (NET):	-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,739,054	1,633,232	1,478,300	1,059,516	1,034,814
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,739,054	1,633,232	1,478,300	1,059,516	1,034,814
10	LESS DIVIDENDS: PREFERRED	114,546	114,706	114,690	114,714	114,714
11	COMMON	137,608	131,974	128,758	119,136	119,136
12	NET FUNDS FROM INTERNAL SOURCES	1,486,900	1,386,552	1,234,852	825,666	800,964
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	1,400,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	1,489
16	NET INCREASE IN SHORT TERM DEBT	-	686,000	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	686,000	-	-	1,401,489
20	OTHER SOURCES (NET)	248,286	738,869	5,155	65,549	22,267
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,735,186	$ 2,811,421	$ 1,240,007	$ 891,215	$ 2,224,720
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 1,058,476	$ 2,826,755	$ 692,460	$ 705,837	$ 688,645
25	NON-UTILITY PLANT	78,817	2,648	28,684	43,914	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	1,137,293	2,829,403	721,144	749,751	688,645
28	LESS INTEREST CAPITALIZED	22,256	50,149	23,022	18,990	18,346
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,115,037	2,779,254	698,122	730,761	670,299
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	65,149	32,166	-	-	
31	PREFERRED STOCK	-	-	-	-	1,500
32	REDEMPTION OF CAPITAL STOCK	-	-	-		
33	NET DECREASE IN SHORT TERM DEBT	555,000	-	-	160,454	1,551,464
34	OTHER (NET):	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	620,149	32,166	-	160,454	1,552,964
37	OTHER USES (NET):	-	-	541,885	-	1,457
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,735,186	$ 2,811,420	$ 1,240,007	$ 891,215	$ 2,224,720

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

OGDEN TELEPHONE COMPANY

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	3,337,982 $	3,229,098 $	3,051,418 $	2,839,755 $	2,613,154	1
ACCESS REVENUES		1,408,904					2
TOLL REVENUES		145,250	1,445,689	1,415,045	1,289,108	1,455,843	3
MISCELLANEOUS REVENUES		563,918	310,505	292,656	226,661	198,729	4
UNCOLLECTIBLE REVENUES-DR		26,400	26,400	26,400	13,996	26,400	5
TOTAL TELEPHONE OPERATING REVENUE	$	5,427,622 $	4,958,892 $	4,732,719 $	4,341,528 $	4,241,326	6
TELEPHONE ACCESS LINES IN SERVICE		14,830	14,280	13,941	13,680	13,405	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 229.33	$ 228.84	$ 223.12	$ 210.96	$ 195.98	8
ACCESS REVENUE		96.66					9
TOLL REVENUE		9.98	102.46	102.46	93.44	109.18	10
*YEAR END AVERAGE							
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	975,293 $	842,313 $	845,413 $	840,734 $	923,145	11
DEPRECIATION + AMORTIZATION EXPENSES		1,029,965	1,028,866	874,736	709,044	684,916	12
TRAFFIC EXPENSES		65,229	48,361	28,729	35,512	47,159	13
COMMERCIAL EXPENSES		425,542	417,733	381,388	346,720	338,094	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		452,287	393,659	378,216	344,119	317,798	16
OTHER OPERATING EXPENSES		156,183	139,622	97,365	81,339	104,707	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	3,104,449 $	2,868,724 $	2,605,847 $	2,357,468 $	2,415,819	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	18,782,030 $	18,243,170 $	17,352,086 $	16,861,110 $	16,587,429	19
PLANT UNDER CONSTRUCTION		655,083	320,978	385,645	355,627	283,530	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		19,437,113	18,564,148	17,737,731	17,216,737	16,870,959	24
ACCUMULATED PROVISION FOR DEPR+AMORT		5,910,722	4,976,311	5,287,782	4,553,512	4,110,533	25
NET TELEPHONE PLANT	$	13,526,391 $	13,587,837 $	12,449,949 $	12,663,225 $	12,760,426	26
PLANT IN SERVICE BEGINNING OF YEAR	$	18,243,170 $	17,352,086 $	16,861,110 $	16,587,428 $	16,152,726	27
ADDITIONS		797,862	2,891,424	664,442	633,742	590,188	28
RETIREMENTS		185,181	2,000,338	173,467	360,059	155,485	29
TRANSFERS AND ADJUSTMENTS		73,817-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$	18,782,032 $	18,243,170 $	17,352,085 $	16,861,111 $	16,587,429	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

OGDEN TELEPHONE COMPANY

LINE NO	ITEM		1985		1984		1983		1982		1981
1	REVENUES	$	5,427,622	$	4,958,892	$	4,732,718	$	4,341,528	$	4,241,326
2	ACCESS LINES (AVERAGE*)		14,555		14,111		13,811		13,583		13,334
							DOLLAR AMOUNTS				
3	WAGES AND BENEFITS	$	1,454,494	$	1,246,927	$	1,142,900	$	1,118,831	$	1,060,981
4	OTHER OPERATION AND MAINTENANCE EXPENSES		620,000		592,942		588,211		529,593		669,922
5	DEPRECIATION AND AMORTIZATION EXPENSES		1,029,995		1,028,855		874,736		709,044		684,916
6	EXTRAORDINARY RETIREMENTS		-		-		-		-		-
7	INCOME TAXES - OPERATING		202,384		181,645		157,073		65,381		28,181
8	OTHER TAXES - OPERATING		734,997		659,277		627,809		550,087		507,550
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		908,285		872,297		910,786		1,119,193		1,035,893
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		112,632		109,947		112,710		113,100		112,861
11	EARNINGS AVAILABLE FOR COMMON EQUITY		364,897		267,007		318,493		136,296		141,022
12	TOTAL	$	5,427,622	$	4,958,892	$	4,732,718	$	4,341,528	$	4,241,326
							PERCENT OF REVENUES				
13	WAGES AND BENEFITS		26.8		25.1		24.1		25.8		25.0
14	OTHER OPERATION AND MAINTENANCE EXPENSES		11.4		12.0		12.4		12.2		15.8
15	DEPRECIATION AND AMORTIZATION EXPENSES		19.0		20.7		18.5		16.3		16.1
16	EXTRAORDINARY RETIREMENTS		-		-		-		-		-
17	INCOME TAXES - OPERATING		3.7		3.7		3.3		1.5		0.7
18	OTHER TAXES - OPERATING		13.5		13.3		13.3		12.7		12.0
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		16.7		17.6		19.2		25.8		24.4
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		2.1		2.2		2.4		2.6		2.7
21	EARNINGS AVAILABLE FOR COMMON EQUITY		6.7		5.4		6.7		3.1		3.3
22	TOTAL		100.0		100.0		100.0		100.0		100.0
							DOLLARS PER AVERAGE ACCESS LINE PER MONTH				
23	WAGES AND BENEFITS	$	8.33	$	7.36	$	6.90	$	6.86	$	6.63
24	OTHER OPERATION AND MAINTENANCE EXPENSES		3.55		3.50		3.55		3.25		4.19
25	DEPRECIATION AND AMORTIZATION EXPENSES		5.90		6.08		5.28		4.35		4.28
26	EXTRAORDINARY RETIREMENTS		-		-		-		-		-
27	INCOME TAXES - OPERATING		1.16		1.07		0.95		0.40		0.18
28	OTHER TAXES - OPERATING		4.21		3.89		3.79		3.37		3.17
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		5.20		5.15		5.50		6.87		6.47
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		0.64		0.65		0.68		0.69		0.71
31	EARNINGS AVAILABLE FOR COMMON EQUITY		2.09		1.58		1.92		0.84		0.88
32	TOTAL	$	31.08	$	29.29	$	28.56	$	26.64	$	26.51

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ONEIDA COUNTY RURAL TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 3,655,495	$ 3,682,545	$ 3,506,248	$ 3,357,743	$ 3,302,652
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,451,614	1,403,324	1,227,554	1,048,827	933,741
3	NET TELEPHONE PLANT	2,203,881	2,279,221	2,278,694	2,308,916	2,368,911
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	187,350	15,566	15,566	15,566	15,566
7	OTHER INVESTMENTS AND FUNDS	20,500	15,500	15,500	15,500	18,016
8	TOTAL INVESTMENTS AND FUNDS	207,850	31,066	31,066	31,066	33,582
9	CASH AND WORKING FUNDS	88,924	34,214	15,356	39,882	14,299
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	271,501	252,626	119,735	59,255	77,095
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	84,973	106,300	103,070	18,635	36,259
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	81,882	75,621	76,247	83,231	87,376
15	MATERIALS AND SUPPLIES*	68,067	35,452	58,306	58,154	60,784
16	PREPAYMENTS	39,590	40,178	37,932	39,251	38,349
17	OTHER CURRENT AND ACCRUED ASSETS	158,854	136,237	103,957	92,615	80,651
18	TOTAL CURRENT AND ACCRUED ASSETS	793,791	680,628	514,603	391,023	394,813
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	8,385	8,782	9,178	9,575	9,972
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	5,637	11,274	16,911	22,548	28,185
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	3,380	4,521-	1,716	16,409	12,161
23	TOTAL DEFERRED DEBITS	17,402	15,535	27,805	48,532	50,318
24	TOTAL ASSETS AND OTHER DEBITS	3,222,924	$ 3,006,450	$ 2,852,168	$ 2,779,537	$ 2,847,624
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 85,100	$ 85,100	$ 85,100	$ 85,100	$ 85,100
26	PREFERRED CAPITAL STOCK	83,700	90,050	92,250	95,700	103,200
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	567,294	453,267	359,037	270,404	284,295
34	TOTAL PROPRIETARY CAPITAL	736,094	628,417	536,387	451,204	472,595
35	BONDS(LESS BONDS REACQUIRED)	1,934,308	1,992,074	2,048,191	2,102,812	2,152,835
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	1,934,308	1,992,074	2,048,191	2,102,812	2,152,835
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	101,893	106,784	56,168	46,068	35,933
41	CUSTOMERS' DEPOSITS	5,751	7,360	9,210	5,780	5,880
42	ADVANCE BILLING AND PAYMENTS	18,159	16,652	24,190	21,391	18,700
43	TAXES ACCRUED	6,176-	33,730	33	2,816	5,363
44	OTHER CURRENT AND ACCRUED LIABILITIES	46,595	57,235	35,332	30,220	29,876
45	TOTAL CURRENT AND ACCRUED LIABILITIES	166,222	221,761	124,933	106,275	95,752
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	140,940	74,464	35,739	28,276	30,818
48	OTHER DEFERRED CREDITS	141,597	4,758	4,211	3,663	3,116
49	TOTAL DEFERRED CREDITS	282,537	79,222	39,950	31,939	33,934
50	OPERATING RESERVES	45,063	34,556	33,517	27,222	25,118
51	ACCUMULATED DEFERRED INCOME TAXES	58,700	50,420	69,190	60,085	67,390
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,222,924	$ 3,006,450	$ 2,852,168	$ 2,779,537	$ 2,847,624
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.71	2.79	2.91	3.32	3.16
54	CURRENT ASSETS/CURRENT LIABILITIES	4.78	3.07	4.12	3.68	4.12
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	72.4	76.0	79.2	82.3	81.9
56	PREFERRED STOCK	3.1	3.4	3.5	3.7	3.9
57	COMMON STOCK+OTHER PAID-IN CAPITAL	3.1	3.2	3.2	3.3	3.2
58	RETAINED EARNINGS	21.2	17.2	13.8	10.5	10.8
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	52.9	54.0	58.4	62.6	65.1
60	PERCENT OF NET TELEPHONE PLANT	87.7	87.4	89.8	91.0	90.8
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	39.7	38.1	35.0	31.2	28.2

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

ONEIDA COUNTY RURAL TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,354,428	$ 1,288,981	$ 1,177,470	$ 1,003,938	$ 1,016,900	1
OPERATION AND MAINTENANCE EXPENSE	841,865	769,096	678,670	629,481	555,231	2
EXTRAORDINARY RETIREMENTS	5,637	5,637	5,637	5,637	5,637	3
DEPRECIATION	161,062	190,851	179,322	163,087	155,702	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	152,012	170,652	136,130	148,415	140,590	6
INCOME TAXES-OPERATING	56,467	33,227	7,463	2,462-	21,523	7
OPERATING INCOME TAXES DEFERRED	1,117-	14,132-	22,295	-	12,925	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	8,989-	4,638-	13,190-	7,308-	13,487-	9
TOTAL OPERATING EXPENSES	1,206,937	1,150,693	1,016,327	936,853	878,121	10
TOTAL TELEPHONE OPERATING INCOME	147,491	138,288	161,143	67,085	138,779	11
OTHER INCOME						
DIVIDEND INCOME	18,313	-	-	-	2,516	12
INTEREST INCOME	-	10,259	7,786	6,408	358	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-		14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	928-	1,684-	1,357-	1,561-	2,014	16
MISCELLANEOUS INCOME	53,344	12,786	2,350	570	2,575	17
TOTAL OTHER INCOME	70,729	21,361	8,779	5,417	7,463	18
TOTAL INCOME	218,220	159,649	169,922	72,502	146,242	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	5,201	528	705	410	474	20
INCOME TAXES-NONOPERATING	22,399	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	1,939	5,667-	4,217-	2,607-	4,812	22
TOTAL INCOME DEDUCTIONS	29,539	5,139-	3,512-	2,197-	5,286	23
INCOME BEFORE INTEREST CHARGES	188,681	164,788	173,434	74,699	140,956	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	70,502	71,751	73,946	75,024	75,037	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	397	397	397	397	396	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	541-	1,459	1,386	811	790	29
TOTAL INTEREST CHARGES	70,358	73,607	75,729	76,232	76,223	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	118,323	91,181	97,705	1,533-	64,733	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	4,381	22,050	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	2,516-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	10,143	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	4,381	11,907	-	2,516-	-	35
NET INCOME	$ 122,704	$ 103,088	$ 97,705	$ 4,049-	$ 64,733	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 453,267	$ 359,037	$ 270,404	$ 284,295	$ 229,316	37
BALANCE TRANSFERRED FROM INCOME	122,704	103,088	97,705	4,049-	64,733	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	5,273	5,454	5,668	6,438	6,350	42
-COMMON STOCK	3,404	3,404	3,404	3,404	3,402	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	567,294	453,267	359,037	270,404	284,295	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 567,294	$ 453,267	$ 359,037	$ 270,404	$ 284,295	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	62.1	59.6	57.6	62.7	54.6	47
EXTRAORDINARY RETIREMENTS	0.4	0.4	0.4	0.5	0.5	48
DEPRECIATION AND AMORTIZATION	11.8	14.8	15.2	16.2	15.3	49
TOTAL INCOME TAXES-OPERATING	3.4	1.1	1.4	0.9-	2.1	50
OTHER TAXES-OPERATING	11.2	13.2	11.5	14.7	13.8	51
TOTAL OPERATING EXPENSES	89.1	89.2	86.3	93.3	86.3	52
OPERATING INCOME	10.8	10.7	13.6	6.6	13.6	53
DEPR. AND AMORT % OF TELEPHONE PLANT	4.4	5.1	5.1	4.8	4.7	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	5.2	5.7	6.4	7.6	7.5	55
PRETAX INTEREST COVERAGE	3.7	2.4	2.5	0.9	2.1	56
NET INCOME-PERCENT OF OPERATING REVENUES	9.0	7.9	8.2	0.3-	6.3	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.3	0.4	0.4	0.6	0.6	58
TIMES EARNED	23.3	18.9	17.2	0.6-	10.2	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	0.2	0.2	0.2	0.3	0.3	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	2.8	3.4	3.6	32.3-	5.8	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	19.7	19.8	23.0	2.7-	17.0	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	0.5	0.6	0.8	0.9	0.9	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ONEIDA COUNTY RURAL TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 118,323	$ 91,181	$ 97,705	$ 1,533-	$ 64,733
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	194,056	192,347	183,771	170,123	208,962
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	57,897	19,955	16,568	9,846-	19,375
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET):	10,507	1,039	6,295	2,104	2,387
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	380,783	304,522	304,339	160,848	295,457
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	4,381	11,907	-	2,516-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	385,164	316,429	304,339	158,332	295,457
10	LESS DIVIDENDS: PREFERRED	5,273	5,454	5,668	6,438	6,350
11	COMMON	3,404	3,404	3,404	3,404	3,404
12	NET FUNDS FROM INTERNAL SOURCES	376,487	307,571	295,267	148,490	285,703
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	56,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	56,000
20	OTHER SOURCES (NET):	76,880	73,290	79,010	55,776	29,493
21						
22						
23	TOTAL FUNDS PROVIDED	$ 453,367	$ 380,861	$ 374,277	$ 204,266	$ 371,196
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 199,283	$ 242,738	$ 204,451	$ 129,747	$ 239,876
25	NON-UTILITY PLANT	23,003	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	222,286	242,738	204,451	129,747	239,876
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	222,286	242,738	204,451	129,747	239,876
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	39,156	56,117	54,621	50,023	48,768
31	PREFERRED STOCK	6,350	2,200	3,450	7,500	6,500
32	REDEMPTION OF CAPITAL STOCK	-	-	-		
33	NET DECREASE IN SHORT TERM DEBT	-	-	-		-
34	OTHER (NET)	-	-	-		
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	45,506	58,317	58,071	57,523	55,268
37	OTHER USES (NET)	185,575	79,806	111,755	16,996	76,052
38						
39						
40	TOTAL FUNDS APPLIED	$ 453,367	$ 380,861	$ 374,277	$ 204,266	$ 371,196

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

ONEIDA COUNTY RURAL TELEPHONE COMPANY

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	726,089 $	722,206 $	654,622 $	630,509 $	603,090	1
ACCESS REVENUES		238,032					2
TOLL REVENUES		288,681	440,165	402,657	350,858	382,800	3
MISCELLANEOUS REVENUES		105,246	128,880	129,191	31,201	33,410	4
UNCOLLECTIBLE REVENUES-DR		3,600	2,270	9,000	8,630	2,400	5
TOTAL TELEPHONE OPERATING REVENUE	$	1,354,428 $	1,288,081 $	1,177,470 $	1,003,938 $	1,016,900	6
TELEPHONE ACCESS LINES IN SERVICE		2,763	2,679	2,611	2,579	2,515	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 266.84	$ 273.05	$ 252.26	$ 247.55	$ 239.99	8
ACCESS REVENUE		87.48					9
TOLL REVENUE		106.09	166.41	155.17	137.75	152.33	10
*YEAR END AVERAGE							
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	282,619 $	284,592 $	243,084 $	229,366 $	181,963	11
DEPRECIATION + AMORTIZATION EXPENSES		166,999	196,488	184,959	168,724	161,339	12
TRAFFIC EXPENSES		28,165	32,366	22,768	21,850	17,614	13
COMMERCIAL EXPENSES		24,353	52,916	64,299	78,082	64,428	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		356,814	279,063	239,307	203,430	200,957	16
OTHER OPERATING EXPENSES		169,914	120,159	109,232	96,753	90,269	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	1,008,564 $	965,584 $	863,629 $	798,205 $	716,570	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	3,509,719 $	3,640,531 $	3,459,965 $	3,352,094 $	3,294,310	19
PLANT UNDER CONSTRUCTION		145,776	42,014	46,283	5,649	8,342	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		3,655,495	3,682,545	3,506,248	3,357,743	3,302,652	24
ACCUMULATED PROVISION FOR DEPR-AMORT		1,451,614	1,403,324	1,227,554	1,048,827	933,741	25
NET TELEPHONE PLANT	$	2,203,881 $	2,279,221 $	2,278,694 $	2,308,916 $	2,368,911	26
PLANT IN SERVICE BEGINNING OF YEAR	$	3,640,531 $	3,459,965 $	3,352,094 $	3,294,310 $	3,090,881	27
ADDITIONS		95,522	247,007	163,817	132,440	257,747	28
RETIREMENTS		58,989	66,441	55,946	74,656	54,318	29
TRANSFERS AND ADJUSTMENTS		167,345-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$	3,509,719 $	3,640,531 $	3,459,965 $	3,352,094 $	3,294,310	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

ONEIDA COUNTY RURAL TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,354,428	$ 1,288,981	$ 1,177,470	$ 1,003,938	$ 1,016,900
2	ACCESS LINES (AVERAGE*)	2,721	2,645	2,595	2,547	2,513
	DOLLAR AMOUNTS					
3	WAGES AND BENEFITS	$ 484,483	$ 398,391	$ 334,731	$ 289,708	$ 242,756
4	OTHER OPERATION AND MAINTENANCE EXPENSES	357,382	370,705	343,939	339,775	312,475
5	DEPRECIATION AND AMORTIZATION EXPENSES	161,062	190,851	179,322	163,087	155,702
6	EXTRAORDINARY RETIREMENTS	5,637	5,637	5,637	5,637	5,637
7	INCOME TAXES - OPERATING	46,381	14,457	16,568	9,767-	20,961
8	OTHER TAXES - OPERATING	152,012	170,652	136,130	148,415	140,590
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	70,358	73,607	75,729	76,232	76,223
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	5,273	5,454	5,668	6,438	6,350
11	EARNINGS AVAILABLE FOR COMMON EQUITY	71,860	59,227	79,746	15,585-	56,206
12	TOTAL	$ 1,354,428	$ 1,288,981	$ 1,177,470	$ 1,003,938	$ 1,016,900
	PERCENT OF REVENUES					
13	WAGES AND BENEFITS	35.8	30.9	28.4	28.9	23.9
14	OTHER OPERATION AND MAINTENANCE EXPENSES	26.4	28.8	29.2	33.8	30.7
15	DEPRECIATION AND AMORTIZATION EXPENSES	11.9	14.8	15.2	16.2	15.3
16	EXTRAORDINARY RETIREMENTS	0.4	0.4	0.5	0.6	0.6
17	INCOME TAXES - OPERATING	3.4	1.1	1.4	0.9-	2.1
18	OTHER TAXES - OPERATING	11.2	13.2	11.6	14.8	13.8
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.2	5.7	6.4	7.6	7.5
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.4	0.5	0.6	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	5.3	4.6	6.8	1.5-	5.5
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER AVERAGE ACCESS LINE PER MONTH					
23	WAGES AND BENEFITS	$ 14.84	$ 12.55	$ 10.75	$ 9.48	$ 8.05
24	OTHER OPERATION AND MAINTENANCE EXPENSES	10.95	11.68	11.04	11.12	10.36
25	DEPRECIATION AND AMORTIZATION EXPENSES	4.93	6.01	5.76	5.34	5.16
26	EXTRAORDINARY RETIREMENTS	0.17	0.18	0.18	0.18	0.19
27	INCOME TAXES - OPERATING	1.42	0.46	0.53	0.31-	0.70
28	OTHER TAXES - OPERATING	4.66	5.38	4.37	4.86	4.66
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.15	2.32	2.43	2.49	2.53
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.16	0.17	0.18	0.21	0.21
31	EARNINGS AVAILABLE FOR COMMON EQUITY	2.20	1.87	2.56	0.50-	1.86
32	TOTAL	$ 41.48	$ 40.61	$ 37.81	$ 32.85	$ 33.72

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ONTARIO TELEPHONE COMPANY, INCORPORATED

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 4,133,815	$ 3,955,563	$ 3,888,983	$ 2,597,206	$ 2,452,674
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,505,771	1,309,785	1,339,804	1,176,210	1,031,418
3	NET TELEPHONE PLANT	2,628,044	2,645,778	2,549,179	1,420,996	1,421,256
4	INVESTMENTS IN AFFILIATED COMPANIES	94,070	83,993	71,042	63,875	53,080
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	35,016	24,948	-	-	-
7	OTHER INVESTMENTS AND FUNDS	8,000	3,000	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	137,086	111,941	71,042	63,875	53,080
9	CASH AND WORKING FUNDS	312,196	292,329	144,986	34,134	49,661
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	100,566	152,130	-	790,380	684,038
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	214,678	65,320	65,873	77,082	61,041
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	233,260	139,599	5,351	28,436	25,110
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	205,828	191,746	140,027	111,695	101,024
15	MATERIALS AND SUPPLIES*	69,464	78,836	67,917	77,824	64,569
16	PREPAYMENTS	11,655	6,597	17,503	7,377	9,386
17	OTHER CURRENT AND ACCRUED ASSETS	133,584	124,584	144,459	126,398	97,335
18	TOTAL CURRENT AND ACCRUED ASSETS	1,281,231	1,051,141	586,096	1,253,326	1,092,164
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	2,522	2,936	3,351	3,766	4,291
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	14,715	16,234	15,090	19,350	12,460
23	TOTAL DEFERRED DEBITS	17,237	19,170	18,441	23,116	16,751
24	TOTAL ASSETS AND OTHER DEBITS	4,083,598	$ 3,828,030	$ 3,224,758	$ 2,761,313	$ 2,583,251
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 115,000	$ 115,000	$ 115,000	$ 115,000	$ 115,000
26	PREFERRED CAPITAL STOCK	125,000	125,000	125,000	125,000	125,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	2,591,418	2,294,533	1,961,118	1,675,601	1,358,331
34	TOTAL PROPRIETARY CAPITAL	2,831,418	2,534,533	2,201,118	1,915,601	1,598,331
35	BONDS(LESS BONDS REACQUIRED)	234,000	240,000	246,000	252,000	258,000
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	234,000	240,000	246,000	252,000	258,000
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	321,349	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	253,346	9,217	265,275	225,980	383,516
41	CUSTOMERS' DEPOSITS	7,950	-	9,325	9,675	9,457
42	ADVANCE BILLING AND PAYMENTS	19,390	16,084	14,169	10,916	9,844
43	TAXES ACCRUED	34,642	139,047	38,015	41,674	33,564
44	OTHER CURRENT AND ACCRUED LIABILITIES	26,737	24,992	24,262	26,217	26,216
45	TOTAL CURRENT AND ACCRUED LIABILITIES	342,065	510,689	351,046	314,462	462,597
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	202,437	191,987	175,107	89,470	83,441
48	OTHER DEFERRED CREDITS	-	-	2,705	4,057	5,410
49	TOTAL DEFERRED CREDITS	202,437	191,987	177,812	93,527	88,851
50	OPERATING RESERVES	-	3,202	1,850	2,750	2,500
51	ACCUMULATED DEFERRED INCOME TAXES	453,678	347,639	246,932	182,973	172,972
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 4,083,598	$ 3,828,030	$ 3,224,758	$ 2,761,313	$ 2,583,251
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.23	2.28	2.27	2.07	2.27
54	CURRENT ASSETS/CURRENT LIABILITIES	3.75	2.06	1.67	3.99	2.36
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	7.6	8.6	10.0	11.6	13.8
56	PREFERRED STOCK	4.0	4.5	5.1	5.7	6.7
57	COMMON STOCK+OTHER PAID-IN CAPITAL	3.7	4.1	4.6	5.3	6.1
58	RETAINED EARNINGS	84.5	82.6	80.1	77.3	73.1
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	5.6	6.0	6.3	9.7	10.5
60	PERCENT OF NET TELEPHONE PLANT	8.9	9.0	9.6	17.7	18.1
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	36.4	33.1	34.4	45.2	42.0

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

ONTARIO TELEPHONE COMPANY, INCORPORATED

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,816,252	$ 1,718,341	$ 1,427,683	$ 1,217,715	$ 1,059,551	1
OPERATION AND MAINTENANCE EXPENSE	887,394	742,821	683,030	656,398	547,419	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	202,633	201,815	165,824	148,959	149,372	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	187,249	173,512	138,913	134,474	110,684	6
INCOME TAXES-OPERATING	98,105	125,024	98,319	65,216	47,237	7
OPERATING INCOME TAXES DEFERRED	105,180	99,486	63,959	10,000	12,063	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	1,480,561	1,342,658	1,150,045	1,015,047	866,775	10
TOTAL TELEPHONE OPERATING INCOME	335,691	375,683	277,638	202,668	192,776	11
OTHER INCOME						
DIVIDEND INCOME	33,016	-	-	-	-	12
INTEREST INCOME	2,972	28,339	42,050	92,193	84,298	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	1,332	26,021	-	447	14
INCOME FROM SINKING AND OTHER FUNDS	5,150	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	10,134	492	-	-	-	16
MISCELLANEOUS INCOME	-	16,548	17,422	17,162	8,444	17
TOTAL OTHER INCOME	51,272	46,711	85,493	109,355	93,189	18
TOTAL INCOME	386,963	422,394	363,131	312,023	285,965	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	1,219	1,063	540	1,513	-	20
INCOME TAXES-NONOPERATING	16,845	15,656	7,276	23,761	22,408	21
MISCELLANEOUS INCOME CHARGES	4,925	3,808	7,233	2,631	5,412	22
TOTAL INCOME DEDUCTIONS	22,989	20,527	15,049	27,905	27,820	23
INCOME BEFORE INTEREST CHARGES	363,974	401,867	348,082	284,118	258,145	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	18,970	19,540	20,028	20,550	30,398	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	414	415	415	525	576	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	16,975	18,687	13,233	17,118	12,096	29
TOTAL INTEREST CHARGES	36,359	38,642	33,676	38,193	43,070	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	327,615	363,225	314,406	245,925	215,075	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	100,005	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	100,005-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	100,005	100,005-	35
NET INCOME	$ 327,615	$ 363,225	$ 314,406	$ 345,930	$ 115,070	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,294,533	$ 1,961,118	$ 1,675,601	$ 1,358,331	$ 1,271,231	37
BALANCE TRANSFERRED FROM INCOME	327,615	363,225	314,406	345,930	115,070	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	7,500	7,500	7,499	7,500	7,500	42
-COMMON STOCK	23,230	22,310	21,390	21,160	20,470	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,591,418	2,294,533	1,961,118	1,675,601	1,358,331	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,591,418	$ 2,294,533	$ 1,961,118	$ 1,675,601	$ 1,358,331	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	48.8	43.2	47.8	53.9	51.6	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	11.1	11.7	11.6	12.2	14.0	49
TOTAL INCOME TAXES-OPERATING	11.2	13.1	11.4	6.2	5.6	50
OTHER TAXES-OPERATING	10.3	10.0	9.7	11.0	10.4	51
TOTAL OPERATING EXPENSES	81.5	78.1	80.5	83.3	81.8	52
OPERATING INCOME	18.4	21.8	19.4	16.6	18.1	53
DEPR. AND AMORT. % OF TELEPHONE PLANT	4.9	5.1	4.2	5.7	6.0	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	2.0	2.2	2.4	3.1	4.1	55
PRETAX INTEREST COVERAGE	18.0	16.5	15.4	10.0	7.9	56
NET INCOME-PERCENT OF OPERATING REVENUES	18.0	21.1	22.0	28.4	10.8	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.4	0.4	0.5	0.6	0.7	58
TIMES EARNED	43.7	48.4	41.9	46.1	15.3	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	1.2	1.2	1.4	1.7	1.9	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	7.2	6.2	6.9	6.2	19.0	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	12.5	15.8	15.8	20.7	7.5	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	0.9	0.9	1.1	1.2	1.4	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ONTARIO TELEPHONE COMPANY, INCORPORATED

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 327,615	$ 363,225	$ 314,406	$ 245,925	$ 215,075
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	219,673	217,384	179,858	162,923	149,949
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	116,509	117,587	150,244	16,678	19,349
4	INTEREST CAPITALIZED	2,972-	1,332-	26,021-	-	447-
5	OTHER (NET):	7,197-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	653,628	698,844	618,487	425,526	383,926
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	100,005	100,005-
9	TOTAL FUNDS FROM INTERNAL SOURCES	653,628	698,844	618,487	525,531	283,921
10	LESS DIVIDENDS: PREFERRED	7,500	7,500	7,499	7,500	7,500
11	COMMON	23,230	22,310	21,390	21,160	20,470
12	NET FUNDS FROM INTERNAL SOURCES	622,898	667,034	589,598	496,871	255,951
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	75,287	-	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	75,287	-	-
20	OTHER SOURCES (NET)	15,137	60,614	663,837	10,891	30,714
21						
22						
23	TOTAL FUNDS PROVIDED	$ 638,035	$ 727,648	$ 1,328,722	$ 507,762	$ 286,665
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 219,497	$ 351,577	$ 1,312,844	$ 162,830	$ 170,658
25	NON-UTILITY PLANT	-	-	-		
26	OTHER	10,077	12,951	7,167	10,795	-
27	TOTAL GROSS ADDITIONS	229,574	364,528	1,320,011	173,625	170,658
28	LESS INTEREST CAPITALIZED	2,972	1,332	26,021	-	447
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	226,602	363,196	1,293,990	173,625	170,211
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	6,000	6,000	6,000	6,000	8,200
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	13,750	200	-	171,050	23,400
34	OTHER (NET):	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	19,750	6,200	6,000	177,050	31,600
37	OTHER USES (NET)	391,683	358,252	28,732	157,087	84,854
38						
39						
40	TOTAL FUNDS APPLIED	$ 638,035	$ 727,648	$ 1,328,722	$ 507,762	$ 286,665

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

ONTARIO TELEPHONE COMPANY, INCORPORATED

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 371,678 $	359,811 $	353,764 $	346,627 $	343,071	1
ACCESS REVENUES	829,086					2
TOLL REVENUES	296,154	1,245,422	982,087	787,725	651,358	3
MISCELLANEOUS REVENUES	323,336	129,108	99,832	89,863	73,922	4
UNCOLLECTIBLE REVENUES-DR	4,000	16,000	8,000	6,500	8,800	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,816,252 $	1,718,341 $	1,427,683 $	1,217,715 $	1,059,551	6
TELEPHONE ACCESS LINES IN SERVICE	3,461	3,383	3,230	3,169	3,119	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 109.10	$ 109.32	$ 110.57	$ 110.25	$ 111.03	8
ACCESS REVENUE	243.36					9
TOLL REVENUE	86.93	378.38	306.95	250.55	210.80	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 382,528 $	324,172 $	301,692 $	278,575 $	228,851	11
DEPRECIATION + AMORTIZATION EXPENSES	202,633	201,815	165,624	148,959	149,372	12
TRAFFIC EXPENSES	37,782	16,563	16,599	16,921	15,106	13
COMMERCIAL EXPENSES	158,877	139,123	140,809	132,613	124,789	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	190,282	174,666	150,032	129,764	109,382	16
OTHER OPERATING EXPENSES	108,135	78,308	73,898	100,523	71,291	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,080,027 $	944,638 $	848,654 $	805,355 $	698,791	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 4,085,904 $	3,900,673 $	3,880,539 $	2,565,104 $	2,451,200	19
PLANT UNDER CONSTRUCTION	47,911	54,890	8,444	31,102	1,474	20
PROPERTY HELD FOR FUTURE USE	-	-	-	1,000	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	4,133,815	3,955,563	3,888,983	2,597,206	2,452,674	24
ACCUMULATED PROVISION FOR DEPR+AMORT	1,505,771	1,309,785	1,339,804	1,176,210	1,031,418	25
NET TELEPHONE PLANT	$ 2,628,044 $	2,645,778 $	2,549,179 $	1,420,996 $	1,421,256	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 3,900,673 $	3,880,539 $	2,565,104 $	2,451,200 $	2,350,657	27
ADDITIONS	216,307	305,131	1,335,502	133,202	170,430	28
RETIREMENTS	31,076	284,997	20,067	19,298	69,887	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 4,085,904 $	3,900,673 $	3,880,539 $	2,565,104 $	2,451,200	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

ONTARIO TELEPHONE COMPANY, INCORPORATED

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,816,252	$ 1,718,341	$ 1,427,683	$ 1,217,719	$ 1,059,551
2	ACCESS LINES (AVERAGE*)	3,407	3,292	3,200	3,144	3,090
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 579,675	$ 514,542	$ 438,252	$ 421,867	$ 361,917
4	OTHER OPERATION AND MAINTENANCE EXPENSES	307,719	228,279	244,778	234,530	185,502
5	DEPRECIATION AND AMORTIZATION EXPENSES	202,633	201,815	165,824	148,958	149,372
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	203,286	224,510	162,278	75,218	59,300
8	OTHER TAXES - OPERATING	187,249	173,512	138,913	134,474	110,684
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	36,181	38,569	31,698	38,193	42,994
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	7,428	7,472	6,770	7,500	7,481
11	EARNINGS AVAILABLE FOR COMMON EQUITY	292,082	329,642	239,170	156,975	142,301
12	TOTAL	$ 1,816,252	$ 1,718,341	$ 1,427,683	$ 1,217,719	$ 1,059,551
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	31.9	29.9	30.7	34.6	34.2
14	OTHER OPERATION AND MAINTENANCE EXPENSES	16.9	13.3	17.1	19.3	17.5
15	DEPRECIATION AND AMORTIZATION EXPENSES	11.2	11.7	11.6	12.2	14.1
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	11.2	13.1	11.4	6.2	5.6
18	OTHER TAXES - OPERATING	10.3	10.1	9.7	11.0	10.4
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.0	2.2	2.2	3.1	4.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.4	0.5	0.6	0.7
21	EARNINGS AVAILABLE FOR COMMON EQUITY	16.1	19.2	16.8	12.9	13.4
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 14.18	$ 13.03	$ 11.41	$ 11.18	$ 9.76
24	OTHER OPERATION AND MAINTENANCE EXPENSES	7.53	5.78	6.37	6.22	5.00
25	DEPRECIATION AND AMORTIZATION EXPENSES	4.96	5.11	4.32	3.95	4.03
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	4.97	5.68	4.23	1.99	1.60
28	OTHER TAXES - OPERATING	4.58	4.39	3.62	3.56	2.99
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	0.88	0.98	0.83	1.01	1.16
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.18	0.19	0.18	0.20	0.20
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.14	8.34	6.23	4.16	3.84
32	TOTAL	$ 44.42	$ 43.50	$ 37.18	$ 32.28	$ 28.57

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

PATTERSONVILLE TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 1,692,540	$ 1,997,231	$ 1,897,908	$ 1,831,491	$ 1,784,304
2	ACCUMULATED PROVISION FOR DEPR+AMORT	772,678	1,002,327	913,260	836,250	786,359
3	NET TELEPHONE PLANT	919,862	994,904	984,648	995,241	997,945
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	103,850	41,946	2,629	-	-
7	OTHER INVESTMENTS AND FUNDS	12,225	7,225	4,225	19,500	19,500
8	TOTAL INVESTMENTS AND FUNDS	116,075	49,171	6,854	19,500	19,500
9	CASH AND WORKING FUNDS	2,337	8,086	12,697	4,663	500
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	289,319	284,230	150,173	124,298	80,281
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	82,347	27,881	39,673	17,236	24,473
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	13,507	19,080	16,380	11,316	17,148
15	MATERIALS AND SUPPLIES*	39,196	37,783	35,225	33,425	30,321
16	PREPAYMENTS	38,958	28,790	32,783	26,114	24,600
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	463,624	404,819	286,891	216,999	177,321
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	12,092	12,809	13,491	14,102	14,714
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	1,212
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	30	-	-	-	-
23	TOTAL DEFERRED DEBITS	12,122	12,809	13,491	14,102	15,926
24	TOTAL ASSETS AND OTHER DEBITS	1,511,683	$ 1,461,703	$ 1,291,884	$ 1,245,842	$ 1,210,692
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 96,000	$ 96,000	$ 96,000	$ 96,000	$ 96,000
26	PREFERRED CAPITAL STOCK	30,800	42,000	42,500	45,000	45,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	623,621	511,318	408,882	344,051	303,365
34	TOTAL PROPRIETARY CAPITAL	750,421	649,318	547,382	485,051	444,365
35	BONDS(LESS BONDS REACQUIRED)	549,085	576,029	602,306	642,786	667,496
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	549,085	576,029	602,306	642,786	667,496
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	32,030	72,872	15,890	17,188	10,158
41	CUSTOMERS DEPOSITS	3,627	11,252	12,431	12,905	13,235
42	ADVANCE BILLING AND PAYMENTS	9,060	8,120	8,431	10,321	9,554
43	TAXES ACCRUED	3,340	15,505	9,683	3,468	1,475
44	OTHER CURRENT AND ACCRUED LIABILITIES	12,212	11,044	13,719	8,532	7,033
45	TOTAL CURRENT AND ACCRUED LIABILITIES	60,268	118,793	60,154	52,414	41,455
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	69,813	67,450	59,419	55,984	54,061
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	69,813	67,450	59,419	55,984	54,061
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	82,096	90,113	22,623	9,628	3,315
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,511,683	$ 1,461,703	$ 1,291,884	$ 1,245,842	$ 1,210,692
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.59	2.21	2.56	2.84	2.94
54	CURRENT ASSETS/CURRENT LIABILITIES	7.69	3.41	4.77	4.14	4.28
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	42.2	47.0	52.3	56.9	60.0
56	PREFERRED STOCK	2.3	3.4	3.6	3.3	4.0
57	COMMON STOCK+OTHER PAID-IN CAPITAL	7.3	7.8	8.3	8.5	8.6
58	RETAINED EARNINGS	47.9	41.7	35.5	30.5	27.2
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	32.4	28.8	31.7	35.0	37.4
60	PERCENT OF NET TELEPHONE PLANT	59.6	57.8	61.1	64.5	66.8
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	45.6	50.1	48.1	45.6	44.0

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

PATTERSONVILLE TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 711,453	$ 880,195	$ 729,635	$ 636,401	$ 578,433	1
OPERATION AND MAINTENANCE EXPENSE	454,355	515,841	459,351	421,861	383,502	2
EXTRAORDINARY RETIREMENTS	-	-	-	1,212	1,454	3
DEPRECIATION	102,467	108,978	93,910	87,987	81,270	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	76,012	87,931	76,928	62,158	56,605	6
INCOME TAXES-OPERATING	4,883	25,189	6,682	1,992	6,665	7
OPERATING INCOME TAXES DEFERRED	18,422	23,028	12,996	6,312	3,315	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	656,129	760,765	649,867	581,322	533,001	10
TOTAL TELEPHONE OPERATING INCOME	55,324	119,430	79,768	55,079	45,432	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	27,298	24,075	13,804	13,083	7,164	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	1,396	634	3,332	3,574	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	96,731	13,432	7,997	7,056	5,452	17
TOTAL OTHER INCOME	124,029	38,903	22,435	23,471	16,190	18
TOTAL INCOME	179,353	158,333	102,203	78,550	61,622	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	34,857	20,146-	3,848	2,707	32	21
MISCELLANEOUS INCOME CHARGES	99	80,258	-	95	751-	22
TOTAL INCOME DEDUCTIONS	34,956	60,112	3,848	2,802	719-	23
INCOME BEFORE INTEREST CHARGES	144,397	98,221	98,355	75,748	62,341	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	15,611	16,214	17,353	18,279	13,053	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	717	662	612	612	612	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	781	1,287	1,399	1,951	2,669	29
TOTAL INTEREST CHARGES	17,109	18,163	19,364	20,842	16,334	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	127,288	80,058	78,991	54,906	46,007	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	64,722	-	-	12,757	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	21,569	-	-	1,535	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	43,153	-	-	11,222	35
NET INCOME	$ 127,288	$ 123,211	$ 78,991	$ 54,906	$ 57,229	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 511,318	$ 408,882	$ 344,051	$ 303,365	$ 258,526	37
BALANCE TRANSFERRED FROM INCOME	127,288	123,211	78,991	54,906	57,229	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	2,505	2,535	2,640	2,700	1,350	42
-COMMON STOCK	12,480	18,240	11,520	11,520	11,040	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	623,621	511,318	408,882	344,051	303,365	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 623,621	$ 511,318	$ 408,882	$ 344,051	$ 303,365	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	63.8	58.5	62.9	66.2	66.3	47
EXTRAORDINARY RETIREMENTS	-	-	-	0.1	0.2	48
DEPRECIATION AND AMORTIZATION	14.4	12.3	12.8	13.8	14.0	49
TOTAL INCOME TAXES-OPERATING	3.3	5.5	2.7	1.3	1.7	50
OTHER TAXES-OPERATING	10.6	9.9	10.5	9.7	9.8	51
TOTAL OPERATING EXPENSES	92.2	86.4	89.0	91.3	92.1	52
OPERATING INCOME	7.7	13.5	10.9	8.6	7.8	53
DEPR. AND AMORT % OF TELEPHONE PLANT	6.0	5.4	4.9	4.8	4.5	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	2.4	2.1	2.7	3.3	2.8	55
PRETAX INTEREST COVERAGE	11.1	6.5	5.9	3.9	4.1	56
NET INCOME-PERCENT OF OPERATING REVENUES	17.8	13.9	10.8	8.6	9.8	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.3	0.2	0.3	0.4	0.2	58
TIMES EARNED	50.8	48.6	29.9	20.3	42.4	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	1.7	2.0	1.5	1.8	1.9	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	10.0	15.1	15.0	22.0	19.7	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	18.8	21.7	16.1	12.4	14.8	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	1.8	3.2	2.4	2.7	2.9	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

PATTERSONVILLE TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 127,288	$ 58,489	$ 78,991	$ 54,906	$ 46,007
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	134,418	118,510	101,630	95,215	87,785
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	34,346	35,521	16,451	8,215	10,044
4	INTEREST CAPITALIZED	-	1,396-	634-	3,332-	3,573-
5	OTHER (NET)	14,398	1,226	-	2,667	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	310,450	212,350	196,498	157,671	140,263
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	64,722	-	-	11,222
9	TOTAL FUNDS FROM INTERNAL SOURCES	310,450	277,072	196,498	157,671	151,485
10	LESS DIVIDENDS PREFERRED	2,505	2,535	2,640	2,700	1,350
11	COMMON	12,480	18,240	11,520	11,520	11,040
12	NET FUNDS FROM INTERNAL SOURCES	295,465	256,297	182,338	143,451	139,095
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	104,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	15,275	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	15,275	-	104,000
20	OTHER SOURCES (NET)	-	-	6,166	310	3,282
21						
22						
23	TOTAL FUNDS PROVIDED	$ 295,465	$ 256,297	$ 203,779	$ 143,761	$ 246,377
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 103,193	$ 129,992	$ 97,263	$ 95,178	$ 185,496
25	NON-UTILITY PLANT	32,485	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	135,678	129,992	97,263	95,178	185,496
28	LESS INTEREST CAPITALIZED	-	1,396	634	3,332	3,573
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	135,678	128,596	96,629	91,846	181,923
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	26,944	28,277	40,479	24,711	24,227
31	PREFERRED STOCK	11,200	500	2,500		
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	38,144	28,777	42,979	24,711	24,227
37	OTHER USES (NET)	121,643	100,924	64,171	27,204	40,227
38						
39						
40	TOTAL FUNDS APPLIED	$ 295,465	$ 256,297	$ 203,779	$ 143,761	$ 246,377

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

PATTERSONVILLE TELEPHONE COMPANY

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	355,215 $	519,186 $	438,168 $	402,697 $	397,142	1
ACCESS REVENUES		150,442					2
TOLL REVENUES		154,640	328,781	254,301	204,576	160,551	3
MISCELLANEOUS REVENUES		52,356	35,848	42,766	31,228	23,315	4
UNCOLLECTIBLE REVENUES-DR		1,200	3,600	5,600	2,100	2,575	5
TOTAL TELEPHONE OPERATING REVENUE	$	711,453 $	880,195 $	729,635 $	636,401 $	578,433	6
TELEPHONE ACCESS LINES IN SERVICE		1,087	1,088	1,040	977	955	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 329.51	$ 492.35	$ 434.47	$ 416.87	$ 421.15	8
ACCESS REVEN		139.56					9
TOLL REVEN		143.45	311.77	252.16	211.78	170.26	10

*YEAR END AVERAGE

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	112,836 $	181,352 $	162,647 $	157,137 $	128,006	11
DEPRECIATION + AMORTIZATION EXPENSES		102,457	108,978	93,910	89,199	82,724	12
TRAFFIC EXPENSES		17,696	19,480	16,894	12,651	9,653	13
COMMERCIAL EXPENSES		29,756	42,700	38,675	35,556	29,441	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		178,283	166,013	141,315	131,777	128,899	16
OTHER OPERATING EXPENSES		115,784	107,098	99,820	84,540	89,503	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	556,812 $	624,619 $	553,261 $	510,860 $	468,226	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	1,690,610 $	1,970,468 $	1,871,626 $	1,820,874 $	1,712,985	19
PLANT UNDER CONSTRUCTION		1,930	26,763	26,282	10,617	71,319	20
PROPERTY HELD FOR FUTURE USE		-	-	-		-	21
PLANT ACQUISITION ADJUSTMENTS		-		-		-	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		1,692,540	1,997,231	1,897,908	1,831,491	1,784,304	24
ACCUMULATED PROVISION FOR DEPR+AMORT		772,678	1,002,327	913,260	836,250	786,359	25
NET TELEPHONE PLANT	$	919,862 $	994,904 $	984,648 $	995,241 $	997,945	26
PLANT IN SERVICE BEGINNING OF YEAR	$	1,970,468 $	1,871,626 $	1,820,874 $	1,712,985 $	1,617,431	27
ADDITIONS		128,026	129,511	81,599	155,881	114,177	28
RETIREMENTS		407,884	30,669	30,847	47,989	18,623	29
TRANSFERS AND ADJUSTMENTS		-	-	-	3-	-	30
PLANT IN SERVICE END OF YEAR	$	1,690,610 $	1,970,468 $	1,871,626 $	1,820,874 $	1,712,985	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

PATTERSONVILLE TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 711,453	$ 880,195	$ 729,635	$ 636,401	$ 578,433
2	ACCESS LINES (AVERAGE*)	1,078	1,055	1,009	966	943
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 254,938	$ 246,783	$ 228,024	$ 217,143	$ 204,757
4	OTHER OPERATION AND MAINTENANCE EXPENSES	199,417	268,858	231,327	204,518	178,745
5	DEPRECIATION AND AMORTIZATION EXPENSES	102,457	108,978	93,910	87,987	81,270
6	EXTRAORDINARY RETIREMENTS	-	-	-	1,212	1,454
7	INCOME TAXES - OPERATING	23,305	48,215	19,878	8,304	9,970
8	OTHER TAXES - OPERATING	76,012	87,931	76,928	62,158	56,805
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	17,109	17,924	19,223	19,682	15,226
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	2,505	2,497	2,618	2,530	1,236
11	EARNINGS AVAILABLE FOR COMMON EQUITY	35,710	99,009	57,927	32,867	28,970
12	TOTAL	$ 711,453	$ 880,195	$ 729,635	$ 636,401	$ 578,433
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	35.8	28.0	31.3	34.1	35.4
14	OTHER OPERATION AND MAINTENANCE EXPENSES	32.8	30.5	31.7	32.1	30.9
15	DEPRECIATION AND AMORTIZATION EXPENSES	14.4	12.4	12.9	13.8	14.1
16	EXTRAORDINARY RETIREMENTS	-	-	-	0.2	0.3
17	INCOME TAXES - OPERATING	3.3	5.5	2.7	1.3	1.7
18	OTHER TAXES - OPERATING	10.7	10.0	10.5	9.8	9.8
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.4	2.0	2.6	3.1	2.6
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.3	0.4	0.4	0.2
21	EARNINGS AVAILABLE FOR COMMON EQUITY	5.0	11.2	7.9	5.2	5.0
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 19.71	$ 19.50	$ 18.84	$ 18.73	$ 18.09
24	OTHER OPERATION AND MAINTENANCE EXPENSES	15.42	21.25	19.11	17.64	15.80
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.92	8.61	7.76	7.59	7.18
26	EXTRAORDINARY RETIREMENTS	-	-	-	0.10	0.13
27	INCOME TAXES - OPERATING	1.80	3.81	1.63	0.72	0.88
28	OTHER TAXES - OPERATING	5.88	6.95	6.36	5.36	5.02
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1.32	1.42	1.59	1.70	1.35
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.19	0.20	0.22	0.22	0.11
31	EARNINGS AVAILABLE FOR COMMON EQUITY	2.76	7.82	4.79	2.84	2.56
32	TOTAL	$ 55.00	$ 69.56	$ 60.29	$ 54.90	$ 51.12

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

PORT BYRON TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 4,034,391	$ 3,568,842	$ 3,408,838	$ 3,391,052	$ 3,270,008
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,599,919	1,275,039	1,115,131	1,007,410	843,110
3	NET TELEPHONE PLANT	2,434,472	2,293,803	2,291,505	2,383,642	2,426,898
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	-	-	-	-	-
9	CASH AND WORKING FUNDS	78,353	81,730	47,135	25,605	32,255
10	SPECIAL CASH DEPOSITS	450	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	1,302	128,921	68,771	20,898	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	371,365	82,864	41,355	46,894	41,876
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	154,527	161,568	135,034	102,861	82,901
15	MATERIALS AND SUPPLIES*	43,750	71,651	24,971	29,455	27,600
16	PREPAYMENTS	66,738	59,843	56,115	61,276	51,224
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	714,485	586,577	373,381	288,989	235,856
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	8,259	8,589	8,919	9,249	9,579
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	17,472	19,968	22,464	24,960	27,456
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	-	-	1,491
23	TOTAL DEFERRED DEBITS	25,731	28,557	31,383	34,209	38,526
24	TOTAL ASSETS AND OTHER DEBITS	3,174,688	$ 2,908,937	$ 2,698,269	$ 2,704,840	$ 2,701,278
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 61,515	$ 61,515	$ 61,515	$ 61,515	$ 61,515
26	PREFERRED CAPITAL STOCK	113,300	113,300	118,300	122,500	122,500
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	5,390	5,390	2,890	1,000	1,000
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	419,130	148,768	170,304	238,560	268,608
34	TOTAL PROPRIETARY CAPITAL	599,335	328,973	353,009	423,575	453,623
35	BONDS(LESS BONDS REACQUIRED)	1,912,469	1,951,954	1,987,102	2,010,371	2,040,130
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	1,912,469	1,951,954	1,987,102	2,010,371	2,040,130
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	9,970
40	OTHER NOTES AND ACCOUNTS PAYABLE	567,614	537,624	183,205	167,957	128,102
41	CUSTOMERS' DEPOSITS	-	-	-	-	-
42	ADVANCE BILLING AND PAYMENTS	20,433	25,246	51,269	12,545	12,519
43	TAXES ACCRUED	6,280	3,346	11-	3,345	303-
44	OTHER CURRENT AND ACCRUED LIABILITIES	35,302	32,820	91,318	49,869	29,606
45	TOTAL CURRENT AND ACCRUED LIABILITIES	629,629	599,036	325,781	233,716	179,894
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	1,092	1,487	1,882	2,672	2,672
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	1,092	1,487	1,882	2,672	2,672
50	OPERATING RESERVES	32,163	27,487	24,766	24,975	15,428
51	ACCUMULATED DEFERRED INCOME TAXES	-	-	3,731	9,531	9,531
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,174,688	$ 2,908,937	$ 2,698,269	$ 2,704,840	$ 2,701,278
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.40	2.75	2.99	2.99	3.02
54	CURRENT ASSETS/CURRENT LIABILITIES	1.13	0.98	1.15	1.23	1.31
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	76.1	85.5	84.9	82.5	81.8
56	PREFERRED STOCK	4.5	4.9	5.0	5.0	4.9
57	COMMON STOCK+OTHER PAID-IN CAPITAL	2.6	2.9	2.7	2.5	2.5
58	RETAINED EARNINGS	16.6	6.5	7.2	9.8	10.7
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	47.4	54.6	58.3	59.2	62.3
60	PERCENT OF NET TELEPHONE PLANT	78.5	85.0	86.7	84.3	84.0
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	39.6	35.7	32.7	29.7	25.7

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

PORT BYRON TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,586,603	$ 1,267,283	$ 1,135,137	$ 1,114,637	$ 1,071,108	1
OPERATION AND MAINTENANCE EXPENSE	855,874	803,634	716,555	723,416	632,153	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	207,866	191,539	180,340	182,306	163,456	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	204,073	183,320	167,724	151,167	133,126	6
INCOME TAXES-OPERATING	395-	395-	395-	-	395-	7
OPERATING INCOME TAXES DEFERRED	-	-	-	-	-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	3,731-	3,000-	-	3,228-	9
TOTAL OPERATING EXPENSES	1,267,418	1,174,367	1,061,224	1,056,889	925,112	10
TOTAL TELEPHONE OPERATING INCOME	319,185	92,916	73,913	57,748	145,996	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	33	95	30	28	114	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	13,668	25,523	14,373	15,477	4,483	17
TOTAL OTHER INCOME	13,701	25,618	14,403	15,505	4,597	18
TOTAL INCOME	332,886	118,534	88,316	73,253	150,593	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	1,407	1,341	2,067	1,837	1,482	22
TOTAL INCOME DEDUCTIONS	1,407	1,341	2,067	1,837	1,482	23
INCOME BEFORE INTEREST CHARGES	331,479	117,193	86,249	71,416	149,111	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	96,380	98,496	99,860	101,200	87,231	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	330	330	330	330	330	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	35,604	25,373	12,921	19,416	86,831	29
TOTAL INTEREST CHARGES	132,314	125,199	113,111	120,946	174,392	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	199,165	8,006-	26,862-	49,530-	25,281-	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	80,222	1,140	6,325	29,243	48,081	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	5,470-	41,319-	93-	1,982-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	80,222	4,330-	34,993-	29,150	46,099	35
NET INCOME	$ 279,387	$ 12,336-	$ 61,855-	$ 20,380-	$ 20,818	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 148,768	$ 170,304	$ 241,755	$ 268,608	$ 257,564	37
BALANCE TRANSFERRED FROM INCOME	279,387	12,336-	61,855-	20,380-	20,819	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	7,931	8,106	8,502	8,575	8,680	42
-COMMON STOCK	1,094	1,094	1,094	1,093	1,094	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	419,130	148,768	170,304	238,560	268,609	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 419,130	$ 148,768	$ 170,304	$ 238,560	$ 268,608	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	53.9	63.4	63.1	64.9	59.0	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	13.1	15.1	15.8	16.3	15.2	49
TOTAL INCOME TAXES-OPERATING	-	0.2-	0.2-	-	0.2-	50
OTHER TAXES-OPERATING	12.8	14.4	14.7	13.5	12.4	51
TOTAL OPERATING EXPENSES	79.8	92.6	93.4	94.8	86.3	52
OPERATING INCOME	20.1	7.3	6.5	5.1	13.6	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.1	5.3	5.2	5.3	4.9	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	8.3	9.9	10.0	10.9	16.3	55
PRETAX INTEREST COVERAGE	2.5	0.9	0.7	0.6	0.8	56
NET INCOME-PERCENT OF OPERATING REVENUES	17.6	-	-	-	1.9	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.4	0.6	0.7	0.7	0.8	58
TIMES EARNED	35.2	-	-	-	2.4	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	0.1	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	0.4	-	-	-	9.0	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	77.3	-	-	-	3.7	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	0.3	0.4	0.4	0.3	0.3	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

PORT BYRON TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 199,166	$ 8,006-	$ 26,862-	$ 49,530-	$ 25,281-
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	210,692	183,059	195,190	202,149	168,541
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	395-	4,126-	3,395-	-	3,623-
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	35,950	30,211	49,484	-	20,243
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	445,413	201,138	214,417	152,619	159,880
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	80,222	4,330-	34,993-	29,150	46,099
9	TOTAL FUNDS FROM INTERNAL SOURCES	525,635	196,808	179,424	181,769	205,979
10	LESS DIVIDENDS: PREFERRED	7,931	8,106	8,502	8,575	8,680
11	COMMON	1,094	1,094	1,094	1,093	1,094
12	NET FUNDS FROM INTERNAL SOURCES	516,610	187,608	169,828	172,101	196,205
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	8,000	-	359,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	55,000	115,000	55,000	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	55,000	115,000	63,000	-	359,000
20	OTHER SOURCES (NET)	-	-	-	33,018	10,515
21						
22						
23	TOTAL FUNDS PROVIDED	$ 571,610	$ 302,608	$ 232,828	$ 205,119	$ 565,720
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 375,964	$ 210,019	$ 86,483	$ 165,308	$ 86,355
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	375,964	210,019	86,483	165,308	86,355
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	375,964	210,019	86,483	165,308	86,355
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	39,485	35,148	31,269	29,759	28,343
31	PREFERRED STOCK		2,500	2,310	-	1,700
32	REDEMPTION OF CAPITAL STOCK		-		-	
33	NET DECREASE IN SHORT TERM DEBT		-	-	-	358,000
34	OTHER (NET)		-		-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	39,485	37,648	33,579	29,759	388,043
37	OTHER USES (NET)	156,161	54,941	112,766	10,052	91,322
38						
39						
40	TOTAL FUNDS APPLIED	$ 571,610	$ 302,608	$ 232,828	$ 205,119	$ 565,720

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

PORT BYRON TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 683,498	$ 484,603	$ 471,915	$ 478,128	$ 468,595	1
ACCESS REVENUES	260,741					2
TOLL REVENUES	553,290	743,416	647,743	602,835	592,763	3
MISCELLANEOUS REVENUES	97,202	43,625	42,710	41,189	25,787	4
UNCOLLECTIBLE REVENUES-DR	8,129	4,361	27,231	7,513	16,037	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,586,602	$ 1,267,283	$ 1,135,137	$ 1,114,637	$ 1,071,108	6
TELEPHONE ACCESS LINES IN SERVICE	2,522	2,501	2,411	2,383	3,355	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 272.15	$ 197.31	$ 196.88	$ 166.65	$ 139.57	8
ACCESS REVENUE	103.82					9
TOLL REVENUE	220.30	302.69	270.23	210.12	176.55	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 187,402	$ 182,483	$ 158,858	$ 167,055	$ 140,696	11
DEPRECIATION + AMORTIZATION EXPENSES	207,866	191,539	180,340	182,306	163,456	12
TRAFFIC EXPENSES	54,894	61,785	11,811	12,424	10,898	13
COMMERCIAL EXPENSES	73,630	66,359	74,001	65,183	57,175	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	276,338	267,712	237,362	241,011	258,468	16
OTHER OPERATING EXPENSES	263,610	225,295	234,523	237,743	164,916	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,063,740	$ 995,173	$ 896,895	$ 905,722	$ 795,609	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 3,980,639	$ 3,526,848	$ 3,369,384	$ 3,302,331	$ 3,223,309	19
PLANT UNDER CONSTRUCTION	28,702	16,944	12,202	63,671	21,647	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	25,050	25,050	25,050	25,050	25,050	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	4,034,391	3,568,842	3,406,636	3,391,052	3,270,006	24
ACCUMULATED PROVISION FOR DEPR+AMORT	1,599,919	1,275,039	1,115,131	1,007,410	843,110	25
NET TELEPHONE PLANT	$ 2,434,472	$ 2,293,803	$ 2,291,505	$ 2,383,642	$ 2,426,896	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 3,526,848	$ 3,369,385	$ 3,302,331	$ 3,223,309	$ 3,148,099	27
ADDITIONS	384,204	205,277	137,952	123,284	92,857	28
RETIREMENTS	45,771	47,814	26,575	44,262	17,646	29
TRANSFERS AND ADJUSTMENTS	135,358	-	44,324-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 3,980,639	$ 3,526,848	$ 3,369,384	$ 3,302,331	$ 3,223,309	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

PORT BYRON TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,586,603	$ 1,267,283	$ 1,135,137	$ 1,114,637	$ 1,071,108
2	ACCESS LINES (AVERAGE*)	2,512	2,456	2,397	2,869	3,358
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 425,159	$ 375,637	$ 338,989	$ 309,987	$ 272,052
4	OTHER OPERATION AND MAINTENANCE EXPENSES	430,715	427,987	377,566	413,449	360,101
5	DEPRECIATION AND AMORTIZATION EXPENSES	207,886	191,538	180,340	182,308	163,456
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	385-	4,128-	3,395-	-	3,623-
8	OTHER TAXES - OPERATING	204,073	183,320	167,724	151,167	133,126
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	132,314	125,199	113,111	120,946	174,392
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	7,931	8,108	8,502	8,575	8,880
11	EARNINGS AVAILABLE FOR COMMON EQUITY	178,240	40,389-	47,700-	71,773-	37,076-
12	TOTAL	$ 1,586,603	$ 1,267,283	$ 1,135,137	$ 1,114,637	$ 1,071,108
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	26.8	29.6	29.9	27.8	25.4
14	OTHER OPERATION AND MAINTENANCE EXPENSES	27.1	33.8	33.3	37.1	33.6
15	DEPRECIATION AND AMORTIZATION EXPENSES	13.1	15.1	15.9	16.4	15.3
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	-	0.2-	0.2-	-	0.2-
18	OTHER TAXES - OPERATING	12.9	14.5	14.8	13.6	12.4
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.3	9.9	10.0	10.9	16.3
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.5	0.6	0.7	0.8	0.8
21	EARNINGS AVAILABLE FOR COMMON EQUITY	11.3	3.1-	4.1-	6.3-	3.4-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 14.11	$ 12.75	$ 11.79	$ 9.00	$ 6.75
24	OTHER OPERATION AND MAINTENANCE EXPENSES	14.29	14.52	13.13	12.01	8.94
25	DEPRECIATION AND AMORTIZATION EXPENSES	6.90	6.50	6.27	5.30	4.06
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	-	0.13-	0.11-	-	0.08-
28	OTHER TAXES - OPERATING	6.77	6.22	5.83	4.39	3.30
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.39	4.25	3.93	3.51	4.33
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.26	0.28	0.30	0.25	0.22
31	EARNINGS AVAILABLE FOR COMMON EQUITY	5.94	1.38-	1.66-	2.07-	0.91-
32	TOTAL	$ 52.64	$ 43.00	$ 39.46	$ 32.38	$ 26.58

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ROCHESTER TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 614,287,198	$ 564,800,288	$ 539,727,346	$ 519,970,230	$ 506,307,180
2	ACCUMULATED PROVISION FOR DEPR+AMORT	204,129,053	191,732,627	173,109,631	155,617,504	148,187,179
3	NET TELEPHONE PLANT	410,158,145	373,067,661	366,617,715	364,352,726	358,120,001
4	INVESTMENTS IN AFFILIATED COMPANIES	49,597,474	41,084,084	33,038,179	33,061,415	23,086,651
5	ADVANCES TO AFFILIATED COMPANIES	2,350,000	1,600,000	2,175,000	4,790,000	2,525,000
6	MISCELLANEOUS PHYSICAL PROPERTY	1,409,804	465,252	356,852	243,140	198,781
7	OTHER INVESTMENTS AND FUNDS	349,597-	1,000	269,553	210,921	198,771
8	TOTAL INVESTMENTS AND FUNDS	53,007,681	43,150,336	35,839,584	38,305,476	26,009,203
9	CASH AND WORKING FUNDS	918,624	987,216	986,286	479,947	962,597
10	SPECIAL CASH DEPOSITS	46,007	28,688	96,236	11,608	3,607
11	TEMPORARY CASH INVESTMENTS	7,547,887	24,701,018	13,549,938	-	8,763,111
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	1,850,082	1,002,793	1,053,276	597,888	1,032,393
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	8,529,631	9,101,917	2,881,403	2,804,191	1,767,595
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	26,847,601	23,156,446	24,757,378	24,558,932	21,945,935
15	MATERIALS AND SUPPLIES*	4,866,464	2,961,269	2,899,890	3,898,293	4,631,187
16	PREPAYMENTS	10,485,588	9,431,905	9,149,792	8,632,404	5,488,263
17	OTHER CURRENT AND ACCRUED ASSETS	22,624	590,776	408,413	278,755	208,123
18	TOTAL CURRENT AND ACCRUED ASSETS	61,114,508	71,962,028	55,762,582	41,259,998	42,800,811
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	928,296	986,798	1,048,811	1,113,713	1,186,010
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	1,660	-
22	OTHER DEFERRED DEBITS	6,241,987	4,905,425	4,251,681	3,402,962	3,564,204
23	TOTAL DEFERRED DEBITS	7,170,283	5,892,223	5,300,492	4,518,335	4,750,214
24	TOTAL ASSETS AND OTHER DEBITS	531,450,777	$ 494,052,248	$ 463,520,353	$ 448,436,533	$ 431,680,229
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 25,517,043	$ 25,508,038	$ 25,461,848	$ 25,377,368	$ 25,187,455
26	PREFERRED CAPITAL STOCK	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	57,624,585	57,550,811	57,170,485	56,479,590	54,922,362
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	37,544-	41,792-	-	-	-
33	RETAINED EARNINGS	179,535,383	162,834,852	151,087,594	141,834,538	132,786,040
34	TOTAL PROPRIETARY CAPITAL	282,639,447	265,851,909	253,719,727	243,691,496	232,895,857
35	BONDS(LESS BONDS REACQUIRED)	130,280,000	130,493,000	131,015,000	132,148,000	134,096,000
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	130,280,000	130,493,000	131,015,000	132,148,000	134,096,000
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	9,452,336	9,906,519	858,125	438,263	321,209
40	OTHER NOTES AND ACCOUNTS PAYABLE	30,476,839	24,477,882	16,346,919	18,274,859	21,051,189
41	CUSTOMERS' DEPOSITS	1,211,537	1,425,475	1,844,383	1,827,734	1,537,175
42	ADVANCE BILLING AND PAYMENTS	8,781,932	8,298,409	7,632,305	7,656,435	7,000,699
43	TAXES ACCRUED	10,817,914	9,100,398	10,856,983	9,948,888	9,192,291
44	OTHER CURRENT AND ACCRUED LIABILITIES	11,056,409	10,369,217	11,716,286	12,821,250	8,676,576
45	TOTAL CURRENT AND ACCRUED LIABILITIES	71,796,968	63,577,880	49,255,001	50,967,529	47,779,139
46	UNAMORTIZED PREMIUM ON DEBT	1,691	2,852	4,040	5,460	6,851
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	18,163,900	14,092,100	11,702,800	9,948,000	7,881,200
48	OTHER DEFERRED CREDITS	2,052,847	1,203,924	1,159,622	707,759	1,888,142
49	TOTAL DEFERRED CREDITS	20,218,438	15,298,876	12,866,462	10,661,219	9,776,193
50	OPERATING RESERVES	339,357	61,707	31,122	632,866	55,013
51	ACCUMULATED DEFERRED INCOME TAXES	26,176,569	18,789,076	16,633,041	10,335,423	7,078,027
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 531,450,777	$ 494,052,248	$ 463,520,353	$ 448,436,533	$ 431,680,229
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.47	2.42	2.48	2.58	2.65
54	CURRENT ASSETS/CURRENT LIABILITIES	0.85	1.13	1.13	0.81	0.90
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	31.5	32.9	34.0	35.1	36.5
56	PREFERRED STOCK	4.8	5.0	5.1	5.3	5.4
57	COMMON STOCK+OTHER PAID-IN CAPITAL	20.1	20.9	21.4	21.7	21.8
58	RETAINED EARNINGS	43.4	41.0	39.2	37.7	36.1
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	21.2	23.1	24.2	25.4	26.4
60	PERCENT OF NET TELEPHONE PLANT	31.7	34.9	35.7	36.2	37.4
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	33.2	33.9	32.0	29.9	29.3

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS
ROCHESTER TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 238,282,359 $	228,053,641 $	213,330,532 $	200,827,052 $	184,825,587	1
OPERATION AND MAINTENANCE EXPENSE	90,689,085	90,589,382	87,097,420	84,908,957	75,288,183	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	39,491,998	33,900,144	29,745,055	28,186,894	27,724,541	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	26,456,150	29,601,063	28,337,081	25,632,243	23,013,925	6
INCOME TAXES-OPERATING	30,259,188	31,810,988	22,844,480	20,584,148	19,211,379	7
OPERATING INCOME TAXES DEFERRED	8,382,895	3,085,000	6,033,000	3,864,200	1,695,000	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	1,086,452-	938,985-	257,718	605,804-	212,328-	9
TOTAL OPERATING EXPENSES	194,192,842	188,027,592	174,314,734	162,569,638	146,718,700	10
TOTAL TELEPHONE OPERATING INCOME	44,089,517	40,026,049	39,015,798	38,257,414	38,106,887	11
OTHER INCOME						
DIVIDEND INCOME	2,874,710	2,108,258	1,615,753	1,901,981	1,460,461	12
INTEREST INCOME	965,598	2,489,289	899,351	1,560,511	1,643,473	13
ALLOWANCE FOR CONSTRUCTION FUNDS	1,606,607	388,846	301,110	386,821	652,120	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	729,084	87,737	18-	31,157-	33,632-	16
MISCELLANEOUS INCOME	4,037,574	3,274,778	1,363,371	1,857,887	1,474,858	17
TOTAL OTHER INCOME	10,213,553	8,326,888	4,179,587	5,676,003	5,197,280	18
TOTAL INCOME	54,303,070	48,352,935	43,195,385	43,933,417	43,304,147	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	428,797	323,300	188,300	101,900	34,400	20
INCOME TAXES-NONOPERATING	647,692	825,553	225,714-	160,726	1,332	21
MISCELLANEOUS INCOME CHARGES	1,314,085	1,457,845	1,296,719	896,654	923,707	22
TOTAL INCOME DEDUCTIONS	2,388,554	2,606,698	1,259,305	1,159,280	959,439	23
INCOME BEFORE INTEREST CHARGES	51,914,518	45,746,237	41,936,080	42,774,137	42,344,708	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	8,761,087	8,769,078	8,804,628	8,878,088	9,039,823	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	59,892	59,951	60,231	60,949	62,862	26
AMORT. OF PREMIUM ON DEBT-CREDIT	1,118-	1,138-	1,153-	1,224-	1,229-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	192,247	493,955	474,245	1,912,397	568,419	29
TOTAL INTEREST CHARGES	9,012,108	9,321,848	9,337,951	10,850,210	9,669,875	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	42,902,408	36,424,389	32,598,109	31,923,927	32,674,833	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	98,034	15,702	67,682	33,541	8,211	32
EXTRAORDINARY/DELAYED INCOME CHARGES	54,318-	22,685-	184,670-	11,348-	21,863-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	15,644	10,437-	81,279-	5,222-	10,051-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	26,072	3,454	35,709-	27,415	5,591-	35
NET INCOME	$ 42,928,480 $	38,427,843 $	32,562,400 $	31,951,342 $	32,669,242	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 162,834,852 $	151,087,594 $	141,834,538 $	132,786,040 $	120,077,102	37
BALANCE TRANSFERRED FROM INCOME	42,928,480	38,427,843	32,562,400	31,951,342	32,669,242	38
MISCELLANEOUS CREDITS	-	2,922	-	782,982	-	39
MISCELLANEOUS DEBITS	6,159	708	-	1,702,134	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	1,012,500	1,012,500	1,012,500	1,012,500	1,012,500	42
-COMMON STOCK	25,209,290	23,870,299	22,298,844	20,971,192	18,948,404	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	179,535,383	162,834,852	151,087,594	141,834,538	132,786,040	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 179,535,383 $	162,834,852 $	151,087,594 $	141,834,538 $	132,786,040	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	38.0	39.7	40.8	42.2	40.7	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	16.5	14.8	13.9	14.0	15.0	49
TOTAL INCOME TAXES-OPERATING	15.8	14.9	13.7	11.9	11.2	50
OTHER TAXES-OPERATING	11.1	12.9	13.2	12.7	12.4	51
TOTAL OPERATING EXPENSES	81.4	82.4	81.7	80.9	79.3	52
OPERATING INCOME	18.5	17.5	18.2	19.0	20.6	53
DEPR. AND AMORT % OF TELEPHONE PLANT	6.4	6.0	5.5	5.4	5.4	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	3.8	4.1	4.4	5.4	5.2	55
PRETAX INTEREST COVERAGE	9.8	8.5	7.5	6.0	6.4	56
NET INCOME-PERCENT OF OPERATING REVENUES	18.0	15.9	15.2	15.9	17.6	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.4	0.4	0.4	0.5	0.5	58
TIMES EARNED	42.4	38.0	32.2	31.6	32.3	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	10.6	10.3	10.1	10.4	10.2	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	60.1	66.8	70.6	67.1	59.8	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	16.4	14.7	13.7	14.1	15.4	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	9.9	9.8	9.7	9.6	9.2	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ROCHESTER TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 42,902,438	$ 38,424,388	$ 32,596,109	$ 31,923,927	$ 32,674,833
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	39,573,595	33,041,418	29,778,543	28,219,640	27,752,378
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	11,635,310	4,467,207	7,945,188	5,256,486	2,382,430
4	INTEREST CAPITALIZED	1,606,607-	388,846-	301,110-	386,821-	652,120-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	92,504,072	74,444,167	70,018,730	65,009,212	62,157,521
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	26,672	3,454	35,709-	27,415	5,591-
9	TOTAL FUNDS FROM INTERNAL SOURCES	92,530,744	74,447,621	69,983,021	65,036,627	62,151,930
10	LESS DIVIDENDS: PREFERRED	1,012,500	1,012,500	1,012,500	1,012,500	1,012,500
11	COMMON	25,209,260	23,670,299	22,296,844	20,971,192	18,948,404
12	NET FUNDS FROM INTERNAL SOURCES	66,308,984	49,764,822	46,673,677	43,052,935	42,191,026
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	48,390	-	-	-
15	COMMON STOCK	9,008	-	64,280	189,913	340,005
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	9,008	48,390	64,280	189,913	340,005
20	OTHER SOURCES (NET)	25,287,856	2,271,794	6,210,283	16,069,413	18,718,857
21						
22						
23	TOTAL FUNDS PROVIDED	$ 91,605,848	$ 52,085,006	$ 52,968,240	$ 59,312,261	$ 61,249,888
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 79,039,592	$ 40,213,744	$ 33,004,394	$ 37,668,645	$ 47,411,192
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	79,039,592	40,213,744	33,004,394	37,668,645	47,411,192
28	LESS INTEREST CAPITALIZED	1,606,607	388,846	301,110	386,821	652,120
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	77,432,985	39,824,898	32,703,284	37,281,824	46,759,072
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	213,000	522,000	1,133,000	1,948,000	9,376,000
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	213,000	522,000	1,133,000	1,948,000	9,376,000
37	OTHER USES (NET)	13,959,863	11,738,108	19,131,956	20,082,437	5,114,816
38						
39						
40	TOTAL FUNDS APPLIED	$ 91,605,848	$ 52,085,006	$ 52,968,240	$ 59,312,261	$ 61,249,888

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

ROCHESTER TELEPHONE CORPORATION

TELEPHONE OPERATING REVENUES

ITEM		1985	1984	1983	1982	1981	LINE NO
OPERATING REVENUES							
LOCAL REVENUES	$	110,215,890 $	118,138,429 $	115,303,432 $	107,922,482 $	99,250,185	1
ACCESS REVENUES		77,630,535					2
TOLL REVENUES		17,145,977	92,549,504	82,495,250	79,938,239	74,713,976	3
MISCELLANEOUS REVENUES		28,198,211	18,358,848	16,339,850	13,891,631	12,163,406	4
UNCOLLECTIBLE REVENUES-DR		917,282	993,200	768,000	923,300	1,302,000	5
TOTAL TELEPHONE OPERATING REVENUE	$	238,282,350 $	228,053,941 $	213,330,532 $	200,827,052 $	184,825,567	6
TELEPHONE ACCESS LINES IN SERVICE		410,492	403,281	391,104	384,983	380,454	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 285.64	$ 297.44	$ 297.28	$ 282.11	$ 262.28	8
ACCESS REVENUE		190.83					9
TOLL REVENUE		42.14	233.02	212.56	208.95	197.44	10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM		1985	1984	1983	1982	1981	LINE NO
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	38,281,913 $	38,150,717 $	37,300,754 $	34,952,743 $	30,436,058	11
DEPRECIATION + AMORTIZATION EXPENSES		39,491,998	33,900,144	29,745,059	28,188,894	27,724,541	12
TRAFFIC EXPENSES		9,390,017	9,087,604	8,804,491	8,824,679	8,590,405	13
COMMERCIAL EXPENSES		17,208,294	16,240,197	14,907,468	14,464,783	13,749,093	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		12,368,803	12,874,243	12,290,264	12,505,207	11,972,505	16
OTHER OPERATING EXPENSES		13,442,038	14,250,421	13,794,443	14,161,545	10,588,124	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	130,181,081 $	124,489,526 $	116,842,479 $	113,095,851 $	103,010,724	18

TELEPHONE UTILITY PLANT

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	588,179,381 $	546,474,015 $	530,991,677 $	510,756,316 $	485,811,030	19
PLANT UNDER CONSTRUCTION		26,107,817	18,326,273	8,735,669	9,213,914	20,496,150	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		614,287,198	564,800,288	539,727,346	519,970,230	506,307,180	24
ACCUMULATED PROVISION FOR DEPR+AMORT		204,129,053	191,732,627	173,109,631	155,617,504	148,187,179	25
NET TELEPHONE PLANT	$	410,158,145 $	373,067,661 $	366,617,715 $	364,352,726 $	358,120,001	26
PLANT IN SERVICE BEGINNING OF YEAR	$	546,474,015 $	530,991,677 $	510,756,316 $	485,811,030 $	462,573,038	27
ADDITIONS		72,338,462	33,515,491	35,740,391	49,799,829	38,739,707	28
RETIREMENTS		29,730,893	18,033,153	15,505,030	24,854,543	15,501,715	29
TRANSFERS AND ADJUSTMENTS		902,204-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$	588,179,381 $	546,474,015 $	530,991,677 $	510,756,316 $	485,811,030	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

ROCHESTER TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 238,282,359	$ 228,053,641	$ 213,330,532	$ 200,827,052	$ 184,825,567
2	ACCESS LINES (AVERAGE*)	406,857	397,183	387,884	382,559	378,414
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 67,000,609	$ 66,088,529	$ 65,600,014	$ 63,075,939	$ 54,468,163
4	OTHER OPERATION AND MAINTENANCE EXPENSES	23,688,456	24,500,853	21,497,406	21,833,018	20,818,020
5	DEPRECIATION AND AMORTIZATION EXPENSES	39,491,998	33,900,144	29,745,055	28,186,894	27,724,541
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	37,555,631	33,937,003	29,135,198	23,841,544	20,694,051
8	OTHER TAXES - OPERATING	26,456,150	29,601,083	28,337,061	25,632,243	23,013,925
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8,628,129	9,228,525	9,269,033	10,757,671	9,519,522
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	983,157	1,004,225	1,003,138	1,003,174	996,350
11	EARNINGS AVAILABLE FOR COMMON EQUITY	34,478,231	29,793,299	28,743,627	26,496,569	27,590,395
12	TOTAL	$ 238,282,359	$ 228,053,641	$ 213,330,532	$ 200,827,052	$ 184,825,567
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	28.1	29.0	30.8	31.4	29.5
14	OTHER OPERATION AND MAINTENANCE EXPENSES	9.9	10.7	10.1	10.9	11.3
15	DEPRECIATION AND AMORTIZATION EXPENSES	16.6	14.9	13.9	14.0	15.0
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	15.8	14.9	13.7	11.9	11.2
18	OTHER TAXES - OPERATING	11.1	13.0	13.3	12.8	12.5
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.6	4.0	4.3	5.4	5.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.4	0.5	0.5	0.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	14.5	13.1	13.5	13.2	14.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 13.72	$ 13.87	$ 14.09	$ 13.74	$ 11.99
24	OTHER OPERATION AND MAINTENANCE EXPENSES	4.85	5.14	4.62	4.76	4.58
25	DEPRECIATION AND AMORTIZATION EXPENSES	8.09	7.11	6.39	6.14	6.11
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	7.69	7.12	6.26	5.19	4.56
28	OTHER TAXES - OPERATING	5.42	6.21	6.[illegible]	5.58	5.07
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1.77	1.94	1.99	2.34	2.10
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.20	0.21	0.22	0.22	0.22
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.06	6.25	6.18	5.77	6.08
32	TOTAL	$ 48.81	$ 47.85	$ 45.83	$ 43.75	$ 40.70

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

SENECA-GORHAM TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 9,887,643	$ 8,955,534	$ 7,961,122	$ 7,762,897	$ 7,084,509
2	ACCUMULATED PROVISION FOR DEPR+AMORT	2,788,346	2,646,324	2,634,824	2,270,380	2,007,606
3	NET TELEPHONE PLANT	7,099,297	6,309,210	5,326,298	5,492,517	5,076,903
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	134,387	98,974	67,174	52,522	175,303
7	OTHER INVESTMENTS AND FUNDS	133,000	128,000	128,000	128,000	128,000
8	TOTAL INVESTMENTS AND FUNDS	267,387	226,974	195,174	180,522	303,303
9	CASH AND WORKING FUNDS	286,542	110,091	122,020	160,666	56,732
10	SPECIAL CASH DEPOSITS	250	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	318,239	595,636	358,000	594,632
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	118,125	98,885	11,006	172,189	97,159
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	139,949	137,961	236,352	203,586	183,339
15	MATERIALS AND SUPPLIES*	349,529	294,296	345,037	235,056	240,161
16	PREPAYMENTS	69,034	64,845	57,831	52,681	47,574
17	OTHER CURRENT AND ACCRUED ASSETS	105,385	87,355	83,980	64,960	58,385
18	TOTAL CURRENT AND ACCRUED ASSETS	1,068,814	1,111,672	1,451,862	1,247,138	1,277,982
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	39,693	41,551	43,519	45,596	48,710
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	19,967	19,303-	65,194	25,784	17,337
23	TOTAL DEFERRED DEBITS	59,660	22,248	108,713	71,380	66,047
24	TOTAL ASSETS AND OTHER DEBITS	8,495,138	$ 7,670,104	$ 7,082,047	$ 6,991,535	$ 6,724,235
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 118,450	$ 118,450	$ 118,450	$ 118,450	$ 118,450
26	PREFERRED CAPITAL STOCK	100,000	100,000	100,000	100,000	100,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	3,837,141	3,373,461	2,983,032	2,875,628	2,518,033
34	TOTAL PROPRIETARY CAPITAL	4,055,591	3,591,911	3,201,482	3,094,078	2,736,483
35	BONDS(LESS BONDS REACQUIRED)	2,928,936	2,970,757	3,107,399	3,142,730	3,343,700
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	2,928,936	2,970,757	3,107,399	3,142,730	3,343,700
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	238,013	174,289	261,620	268,728	218,960
41	CUSTOMERS' DEPOSITS	18,280	27,879	23,656	24,701	24,826
42	ADVANCE BILLING AND PAYMENTS	35,954	10,670	20,583	7,271	6,523
43	TAXES ACCRUED	84,467	4,557	56,441-	35,314	70,272
44	OTHER CURRENT AND ACCRUED LIABILITIES	111,062	166,681	28,967	25,248	42,625
45	TOTAL CURRENT AND ACCRUED LIABILITIES	487,776	384,076	278,385	361,262	363,206
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	416,449	314,344	215,010	196,045	130,110
48	OTHER DEFERRED CREDITS	78,316	34,945	24,366	17,950	19,246
49	TOTAL DEFERRED CREDITS	494,765	349,289	239,376	213,995	149,356
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	528,070	374,071	255,405	179,470	131,490
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 8,495,138	$ 7,670,104	$ 7,082,047	$ 6,991,535	$ 6,724,235
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.74	2.82	2.83	2.87	2.73
54	CURRENT ASSETS/CURRENT LIABILITIES	2.19	2.89	5.22	3.45	3.52
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	41.9	45.2	49.2	50.3	54.9
56	PREFERRED STOCK	1.4	1.5	1.5	1.6	1.6
57	COMMON STOCK+OTHER PAID-IN CAPITAL	1.6	1.8	1.8	1.8	1.9
58	RETAINED EARNINGS	54.9	51.4	47.2	46.1	41.4
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	29.6	33.1	39.0	40.4	47.1
60	PERCENT OF NET TELEPHONE PLANT	41.2	47.0	58.3	57.2	65.8
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	28.2	29.5	33.0	29.2	28.3

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

SENECA-GORHAM TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 3,442,180	$ 3,004,183	$ 2,782,483	$ 2,586,748	$ 2,530,298	1
OPERATION AND MAINTENANCE EXPENSE	1,375,251	1,336,028	1,333,542	1,219,016	1,024,013	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	590,758	491,944	412,806	330,526	320,781	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	329,449	318,848	288,382	252,199	238,878	6
INCOME TAXES-OPERATING	181,002	83,023	143,505	112,435	147,415	7
OPERATING INCOME TAXES DEFERRED	201,220	138,660	96,450	67,750	42,720	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	32,170-	19,250-	19,540-	20,205-	13,320-	9
TOTAL OPERATING EXPENSES	2,645,510	2,349,251	2,255,144	1,961,721	1,780,487	10
TOTAL TELEPHONE OPERATING INCOME	796,670	654,932	527,319	625,027	789,811	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	42,387	-	12
INTEREST INCOME	21,775	46,251	39,117	3,338	95,188	13
ALLOWANCE FOR CONSTRUCTION FUNDS	11,152	6,700	1,327	-	825	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	5,967-	-	-	16
MISCELLANEOUS INCOME	109,945-	57,039-	9,485-	24,428-	119,473-	17
TOTAL OTHER INCOME	77,018-	4,088-	24,992	21,299	20,460-	18
TOTAL INCOME	719,652	650,844	552,311	646,326	749,351	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	20,000-	1,900	123,000-	14,300	1,250	21
MISCELLANEOUS INCOME CHARGES	759	1,138	301,394	2,538	826	22
TOTAL INCOME DEDUCTIONS	19,241-	3,038	178,394	16,838	2,076	23
INCOME BEFORE INTEREST CHARGES	738,893	647,806	373,917	629,488	747,275	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	192,808	198,132	206,813	196,625	232,609	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	1,889	1,968	2,077	3,115	4,382	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	4,476	4,897	5,243	19,774	6,759	29
TOTAL INTEREST CHARGES	199,143	204,997	214,133	219,514	243,750	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	539,750	442,809	159,784	409,974	503,525	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 539,750	$ 442,809	$ 159,784	$ 409,974	$ 503,525	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 3,373,461	$ 2,983,032	$ 2,875,628	$ 2,518,033	$ 2,076,364	37
BALANCE TRANSFERRED FROM INCOME	539,750	442,809	159,784	409,975	503,525	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	5,000	5,000	5,000	5,000	5,000	42
-COMMON STOCK	71,070	47,380	47,380	47,380	56,856	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	3,837,141	3,373,461	2,983,032	2,875,628	2,518,033	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 3,837,141	$ 3,373,461	$ 2,983,032	$ 2,875,628	$ 2,518,033	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	39.9	44.4	47.9	47.1	40.4	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	17.1	16.3	14.8	12.7	12.6	49
TOTAL INCOME TAXES-OPERATING	10.2	6.7	7.9	6.2	7.0	50
OTHER TAXES-OPERATING	9.5	10.6	10.3	9.7	9.4	51
TOTAL OPERATING EXPENSES	76.8	78.1	81.0	75.8	69.5	52
OPERATING INCOME	23.1	21.8	18.9	24.1	30.4	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.9	5.4	5.1	4.2	4.5	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	5.8	6.8	7.7	8.5	9.6	55
PRETAX INTEREST COVERAGE	5.6	4.4	2.2	3.7	3.9	56
NET INCOME-PERCENT OF OPERATING REVENUES	15.6	14.7	5.7	15.8	19.8	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.1	0.1	0.1	0.1	0.1	58
TIMES EARNED	108.0	88.6	32.0	82.0	100.7	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	2.0	1.5	1.7	1.8	2.2	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	13.2	10.8	30.6	11.6	11.4	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	14.3	13.2	5.0	14.3	20.6	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	1.9	1.4	1.5	1.6	2.3	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

SENECA-GORHAM TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 539,750	$ 442,808	$ 159,784	$ 409,974	$ 503,525
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	628,681	526,855	452,699	371,561	359,193
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	256,000	218,000	94,900	113,915	158,360
4	INTEREST CAPITALIZED	11,152	6,700-	1,327-	3,338-	825-
5	OTHER (NET):	-	-	-	-	
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,413,279	1,180,984	708,056	892,112	1,020,253
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES		-	-		
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,413,279	1,180,984	708,056	892,112	1,020,253
10	LESS DIVIDENDS: PREFERRED	5,000	5,000	5,000	5,000	5,000
11	COMMON	71,070	47,380	47,380	47,380	56,856
12	NET FUNDS FROM INTERNAL SOURCES	1,337,209	1,128,584	653,676	839,732	958,397
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	-
20	OTHER SOURCES (NET)	302,263	588,938	-	241,053	37,360
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,639,472	$ 1,717,520	$ 653,676	$ 1,080,785	$ 995,757
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 1,491,111	$ 1,574,654	$ 304,103	$ 788,390	$ 485,444
25	NON-UTILITY PLANT	76,117	31,800	14,652	51,492	165,580
26	OTHER	14,510	50,741-	-	-	-
27	TOTAL GROSS ADDITIONS	1,581,738	1,555,713	318,755	839,882	651,024
28	LESS INTEREST CAPITALIZED	11,152	6,700	1,327	3,338	825
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,570,586	1,549,013	317,428	836,544	650,199
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	41,821	136,642	35,332	200,970	105,400
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	7,000	3,519	1,981	8,000	30,000
34	OTHER (NET)	5,000	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	53,821	140,161	37,313	208,970	135,400
37	OTHER USES (NET)	15,065	28,346	298,935	35,271	210,158
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,639,472	$ 1,717,520	$ 653,676	$ 1,080,785	$ 995,757

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

SENECA-GORHAM TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 816,510	$ 803,084	$ 805,398	$ 762,659	$ 745,944	1
ACCESS REVENUES	1,153,241					2
TOLL REVENUES	1,154,298	1,902,200	1,851,944	1,718,417	1,682,009	3
MISCELLANEOUS REVENUES	344,530	313,443	134,793	120,793	125,130	4
UNCOLLECTIBLE REVENUES-DR	26,399	14,524	9,672	15,121	22,785	5
TOTAL TELEPHONE OPERATING REVENUE	$ 3,442,180	$ 3,004,183	$ 2,782,463	$ 2,586,748	$ 2,530,298	6
TELEPHONE ACCESS LINES IN SERVICE	6,911	6,704	6,571	6,506	6,161	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 119.94	$ 120.99	$ 123.18	$ 120.42	$ 121.45	8
ACCESS REVENUE	169.41					9
TOLL REVENUE	169.56	286.58	283.24	271.32	273.85	10

*YEAR END AVERAGE

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 517,137	$ 556,519	$ 523,780	$ 518,641	$ 424,274	11
DEPRECIATION + AMORTIZATION EXPENSES	590,758	491,944	412,905	330,526	320,781	12
TRAFFIC EXPENSES	31,636	30,468	33,197	30,750	29,280	13
COMMERCIAL EXPENSES	159,664	158,715	149,816	147,894	143,828	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	405,316	401,797	475,930	356,095	269,050	16
OTHER OPERATING EXPENSES	261,498	188,529	150,819	165,636	157,583	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,966,009	$ 1,827,972	$ 1,746,347	$ 1,549,542	$ 1,344,794	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 9,769,620	$ 8,879,046	$ 7,924,609	$ 7,659,116	$ 6,996,391	19
PLANT UNDER CONSTRUCTION	85,247	54,980	28,050	95,318	87,518	20
PROPERTY HELD FOR FUTURE USE	32,776	21,508	8,463	8,463	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	9,887,643	8,955,534	7,961,122	7,762,897	7,084,509	24
ACCUMULATED PROVISION FOR DEPR+AMORT	2,788,346	2,646,324	2,634,824	2,270,380	2,007,606	25
NET TELEPHONE PLANT	$ 7,099,297	$ 6,309,210	$ 5,326,298	$ 5,492,517	$ 5,076,903	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 8,879,046	$ 7,924,608	$ 7,659,116	$ 6,996,991	$ 6,667,153	27
ADDITIONS	1,460,843	1,547,724	371,371	772,127	438,879	28
RETIREMENTS	559,001	593,286	105,879	110,002	109,041	29
TRANSFERS AND ADJUSTMENTS	11,268-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 9,769,620	$ 8,879,046	$ 7,924,608	$ 7,659,116	$ 6,996,991	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

SENECA-GORHAM TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 3,442,180	$ 3,004,183	$ 2,782,463	$ 2,586,748	$ 2,530,298
2	ACCESS LINES (AVERAGE*)	6,808	6,638	6,539	6,334	6,142
	DOLLAR AMOUNTS					
3	WAGES AND BENEFITS	$ 808,807	$ 791,810	$ 786,330	$ 772,272	$ 647,759
4	OTHER OPERATION AND MAINTENANCE EXPENSES	566,444	544,218	547,212	446,744	376,254
5	DEPRECIATION AND AMORTIZATION EXPENSES	590,758	491,944	412,805	330,526	320,781
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	350,052	202,433	220,415	159,980	176,815
8	OTHER TAXES - OPERATING	329,449	318,846	288,382	252,199	238,878
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	196,422	202,947	213,605	218,422	243,659
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	4,933	4,946	4,987	4,973	4,998
11	EARNINGS AVAILABLE FOR COMMON EQUITY	595,315	447,038	308,727	401,632	521,154
12	TOTAL	$ 3,442,180	$ 3,004,183	$ 2,782,463	$ 2,586,748	$ 2,530,298
	PERCENT OF REVENUES					
13	WAGES AND BENEFITS	23.5	26.4	28.3	29.9	25.6
14	OTHER OPERATION AND MAINTENANCE EXPENSES	16.5	18.1	19.7	17.3	14.9
15	DEPRECIATION AND AMORTIZATION EXPENSES	17.2	16.4	14.8	12.8	12.7
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	10.2	6.7	7.9	6.2	7.0
18	OTHER TAXES - OPERATING	9.6	10.6	10.4	9.7	9.4
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.7	6.8	7.7	8.4	9.6
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.1	0.2	0.2	0.2	0.2
21	EARNINGS AVAILABLE FOR COMMON EQUITY	17.3	14.9	11.1	15.5	20.6
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER AVERAGE ACCESS LINE PER MONTH					
23	WAGES AND BENEFITS	$ 9.90	$ 9.94	$ 10.02	$ 10.16	$ 8.79
24	OTHER OPERATION AND MAINTENANCE EXPENSES	6.93	6.83	6.97	5.88	5.10
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.23	6.18	5.26	4.35	4.35
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	4.29	2.54	2.81	2.10	2.40
28	OTHER TAXES - OPERATING	4.03	4.00	3.68	3.32	3.24
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.40	2.55	2.72	2.87	3.31
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.06	0.06	0.06	0.07	0.07
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.29	5.61	3.93	5.28	7.07
32	TOTAL	$ 42.14	$ 37.72	$ 35.46	$ 34.04	$ 34.33

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

STATE TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 5,382,912	$ 4,974,757	$ 4,753,859	$ 4,595,181	$ 4,385,330
2	ACCUMULATED PROVISION FOR DEPR+AMORT	3,791,861	3,513,542	3,164,913	2,818,940	2,541,615
3	NET TELEPHONE PLANT	1,591,051	1,461,215	1,588,946	1,776,241	1,843,715
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	44,814	22,150	-	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	44,814	22,150	-	-	-
9	CASH AND WORKING FUNDS	103,356	125,954	29,026	40,316	200
10	SPECIAL CASH DEPOSITS	471,413	234,357	403,920	172,705	72,736
11	TEMPORARY CASH INVESTMENTS	689,041	522,703	354,851	426,110	282,044
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	34,030	26,378	7,092	6,765	19,456
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	45,854	76,703	31,627	50,300	53,850
15	MATERIALS AND SUPPLIES*	50,089	30,598	26,788	19,546	19,285
16	PREPAYMENTS	154,761	73,567	70,565	66,943	39,546
17	OTHER CURRENT AND ACCRUED ASSETS	1,938	2,557	2,033	4,721	4,134
18	TOTAL CURRENT AND ACCRUED ASSETS	1,550,482	1,092,817	925,702	787,406	491,851
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	-	-	-	-	-
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	124	-	-	-	-
23	TOTAL DEFERRED DEBITS	124	-	-	-	-
24	TOTAL ASSETS AND OTHER DEBITS	3,186,471	$ 2,576,182	$ 2,514,648	$ 2,563,647	$ 2,335,566
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	84,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	2,197,068	1,882,820	1,578,885	1,353,327	1,228,744
34	TOTAL PROPRIETARY CAPITAL	2,277,067	1,962,820	1,658,885	1,433,327	1,392,744
35	BONDS(LESS BONDS REACQUIRED)	143,500	146,500	149,500	603,000	537,500
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	143,500	146,500	149,500	603,000	537,500
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	402,325	183,866	312,319	208,849	213,525
41	CUSTOMERS'DEPOSITS	38,500	47,145	40,665	32,490	28,540
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	57,261	58,852	92,557	71,507	149
44	OTHER CURRENT AND ACCRUED LIABILITIES	59,053	52,781	56,967	47,853	25,932
45	TOTAL CURRENT AND ACCRUED LIABILITIES	557,139	342,644	502,508	360,699	268,146
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	71,851	-	-	-	-
48	OTHER DEFERRED CREDITS	123,984	124,218	124,374	124,374	124,452
49	TOTAL DEFERRED CREDITS	195,835	124,218	124,374	124,374	124,452
50	OPERATING RESERVES	-	-	79,381	42,247	12,724
51	ACCUMULATED DEFERRED INCOME TAXES	12,929	-	-	-	-
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,186,471	$ 2,576,182	$ 2,514,648	$ 2,563,647	$ 2,335,566
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.21	2.13	2.16	2.41	2.73
54	CURRENT ASSETS/CURRENT LIABILITIES	2.78	3.19	1.84	2.18	1.83
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	5.9	6.9	8.2	29.6	27.8
56	PREFERRED STOCK	-	-	-	-	4.3
57	COMMON STOCK+OTHER PAID-IN CAPITAL	3.3	3.7	4.4	3.9	4.1
58	RETAINED EARNINGS	90.7	89.2	87.3	66.4	63.6
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	2.6	2.9	3.1	13.1	12.2
60	PERCENT OF NET TELEPHONE PLANT	9.0	10.0	9.4	33.9	29.1
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	70.4	70.6	66.5	61.3	57.9

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS
STATE TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 2,346,430	$ 2,288,146	$ 2,185,298	$ 1,865,545	$ 1,571,308	1
OPERATION AND MAINTENANCE EXPENSE	1,262,275	1,262,481	1,238,586	1,117,619	947,673	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	292,627	351,460	348,236	335,967	291,955	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	215,261	223,936	209,683	177,918	185,114	6
INCOME TAXES-OPERATING	281,625	179,904	131,517	66,615	6,668	7
OPERATING INCOME TAXES DEFERRED	-	-	-	-	-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	2,051,788	2,017,781	1,926,022	1,698,119	1,431,410	10
TOTAL TELEPHONE OPERATING INCOME	294,642	268,365	239,276	167,426	140,498	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	90,932	57,246	51,234	39,080	27,770	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	63,547	32,325	98	-	-	17
TOTAL OTHER INCOME	154,479	89,571	51,332	39,080	27,770	18
TOTAL INCOME	449,121	357,936	290,608	206,506	168,268	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	20,462	-	-	-	21
MISCELLANEOUS INCOME CHARGES	22,132	914	1,048	988	623	22
TOTAL INCOME DEDUCTIONS	22,132	21,376	1,048	988	623	23
INCOME BEFORE INTEREST CHARGES	426,989	336,560	289,560	205,518	167,645	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	9,510	9,704	38,186	53,819	52,044	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	-	-	-	-	-	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	5,219	2,922	5,816	4,824	3,767	29
TOTAL INTEREST CHARGES	14,729	12,626	44,002	58,643	55,811	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	412,260	323,934	245,558	146,875	111,834	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	7,416	32
EXTRAORDINARY/DELAYED INCOME CHARGES	48,012-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	48,012-	-	-	-	7,416	35
NET INCOME	$ 364,248	$ 323,934	$ 245,558	$ 146,875	$ 119,250	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 1,882,820	$ 1,578,885	$ 1,353,327	$ 1,228,732	$ 1,134,534	37
BALANCE TRANSFERRED FROM INCOME	364,248	323,934	245,558	146,875	119,250	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	2,280	5,040	42
-COMMON STOCK	50,000	20,000	20,000	20,000	20,000	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,197,068	1,882,819	1,578,885	1,353,327	1,228,744	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,197,068	$ 1,882,820	$ 1,578,885	$ 1,353,327	$ 1,228,744	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	53.7	55.2	57.2	59.9	60.2	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	12.4	15.3	15.9	18.0	18.5	49
TOTAL INCOME TAXES-OPERATING	12.0	7.9	6.1	3.6	0.4	50
OTHER TAXES-OPERATING	9.1	9.7	9.6	9.5	11.7	51
TOTAL OPERATING EXPENSES	87.4	88.2	88.9	91.0	91.0	52
OPERATING INCOME	12.5	11.7	11.0	8.9	8.9	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.4	7.0	7.2	7.3	6.6	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	0.6	0.6	2.0	3.1	3.6	55
PRETAX INTEREST COVERAGE	48.1	42.5	9.6	4.6	3.1	56
NET INCOME-PERCENT OF OPERATING REVENUES	15.5	14.1	11.3	7.8	7.5	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	0.1	0.3	58
TIMES EARNED	-	-	-	64.4	23.7	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	2.1	0.8	0.9	1.0	1.2	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	13.7	6.1	8.1	13.8	17.5	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	17.1	17.8	15.8	10.5	9.0	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	2.3	1.1	1.2	1.4	1.5	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

STATE TELEPHONE COMPANY

LINE NO	ITEM		1985		1984		1983		1982		1981
	FUNDS PROVIDED										
	INTERNAL SOURCES										
1	INCOME BEFORE EXTRAORDINARY ITEMS	$	412,260	$	323,934	$	245,558	$	146,875	$	111,834
	NON-CASH CHARGES/(CREDITS) TO INCOME										
2	DEPRECIATION AND AMORTIZATION		311,190		378,486		367,785		335,967		291,955
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		-		-		-		-		-
4	INTEREST CAPITALIZED		-		-		-		-		-
5	OTHER (NET)		36,768		-		-		5,047		-
6											
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS		760,218		702,420		613,343		487,889		403,789
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES		-		-		-		-		
9	TOTAL FUNDS FROM INTERNAL SOURCES		760,218		702,420		613,343		487,889		403,789
10	LESS DIVIDENDS PREFERRED		-		-		-		2,280		5,040
11	COMMON		50,000		-		20,000		20,000		20,000
12	NET FUNDS FROM INTERNAL SOURCES		710,218		702,420		593,343		465,609		378,749
	EXTERNAL SOURCES										
13	LONG TERM DEBT		-		-		-		-		-
14	PREFERRED STOCK		-		-		-		-		-
15	COMMON STOCK		-		-		-		-		
16	NET INCREASE IN SHORT TERM DEBT		-		-		148,500		-		
17	OTHER (NET)		-		-		-		-		-
18											
19	TOTAL FUNDS FROM EXTERNAL SOURCES		-		-		148,500		-		-
20	OTHER SOURCES (NET)		-		-		-		14,653		30,484
21											
22											
23	TOTAL FUNDS PROVIDED	$	710,218	$	702,420	$	741,843	$	480,262	$	409,233
	FUNDS APPLIED										
	CONSTRUCTION EXPENDITURES										
	GROSS ADDITIONS										
24	TELEPHONE PLANT	$	463,690	$	260,615	$	182,661	$	207,027	$	290,661
25	NON-UTILITY PLANT		-		-		-				
26	OTHER		-		9,693		-				
27	TOTAL GROSS ADDITIONS		463,690		270,308		182,661		207,027		290,661
28	LESS INTEREST CAPITALIZED		-		-		-				
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		463,690		270,308		182,661		207,027		290,661
	RETIREMENT OF DEBT AND SECURITIES										
30	LONG TERM DEBT		3,000		3,000		453,500		65,500		3,000
31	PREFERRED STOCK		-		-		-		-		10,000
32	REDEMPTION OF CAPITAL STOCK		-		-		-		-		
33	NET DECREASE IN SHORT TERM DEBT		-		-		-		-		17,500
34	OTHER (NET)		234		-		-		-		-
35											
36	TOTAL RETIREMENT OF DEBT AND SECURITIES		3,234		3,000		453,500		65,500		30,500
37	OTHER USES (NET)		243,294		429,112		105,682		207,735		88,072
38											
39											
40	TOTAL FUNDS APPLIED	$	710,218	$	702,420	$	741,843	$	480,262	$	409,233

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT

YEARS ENDING DECEMBER 31

STATE TELEPHONE COMPANY

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	1,081,097 $	1,035,114 $	1,006,734 $	950,099 $	846,444	1
ACCESS REVENUES		64,777					2
TOLL REVENUES		999,909	1,028,301	950,334	715,140	667,090	3
MISCELLANEOUS REVENUES		215,062	230,154	219,973	205,616	77,466	4
UNCOLLECTIBLE REVENUES-DR		8,739	7,424	11,743	15,311	19,092	5
TOTAL TELEPHONE OPERATING REVENUE	$	2,352,096 $	2,286,145 $	2,165,298 $	1,855,544 $	1,571,908	6
TELEPHONE ACCESS LINES IN SERVICE		6,108	5,873	5,452	5,543	5,467	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 180.47	$ 182.80	$ 183.13	$ 174.40	$ 155.94	8
ACCESS REVENUE		10.81					9
TOLL REVENUE		166.92	181.60	172.87	129.91	122.90	10

*YEAR END AVERAGE

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	523,335 $	538,913 $	532,282 $	452,314 $	394,841	11
DEPRECIATION + AMORTIZATION EXPENSES		292,627	351,460	346,236	335,957	291,955	12
TRAFFIC EXPENSES		30,762	31,805	37,843	37,971	38,414	13
COMMERCIAL EXPENSES		189,937	215,598	214,588	206,242	178,190	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		273,448	238,188	179,696	203,023	176,253	16
OTHER OPERATING EXPENSES		245,393	238,577	274,777	218,669	163,975	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	1,555,502 $	1,614,541 $	1,585,422 $	1,454,186 $	1,233,628	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	5,276,458 $	4,952,325 $	4,734,958 $	4,565,134 $	4,358,107	19
*PLANT UNDER CONSTRUCTION		106,454	22,432	18,901	30,047	27,223	20
PROPERTY HELD FOR FUTURE USE				-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-		22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		5,382,912	4,974,757	4,753,859	4,595,181	4,385,330	24
ACCUMULATED PROVISION FOR DEPR+AMORT		3,791,861	3,513,542	3,164,913	2,818,940	2,541,614	25
NET TELEPHONE PLANT	$	1,591,051 $	1,461,215 $	1,588,946 $	1,776,241 $	1,843,716	26
PLANT IN SERVICE BEGINNING OF YEAR	$	4,952,325 $	4,734,958 $	4,565,134 $	4,358,107 $	4,185,102	27
ADDITIONS		387,382	279,593	193,807	291,196	289,850	28
RETIREMENTS		31,257	62,227	23,983	85,195	110,872	29
TRANSFERS AND ADJUSTMENTS		31,994-	-	-	1,026	5,973-	30
PLANT IN SERVICE END OF YEAR	$	5,276,458 $	4,952,324 $	4,734,958 $	4,565,134 $	4,358,107	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

STATE TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 2,346,430	$ 2,286,146	$ 2,185,298	$ 1,865,545	$ 1,571,908
2	ACCESS LINES (AVERAGE*)	5,991	5,663	5,498	5,505	5,428
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 695,885	$ 670,536	$ 689,136	$ 611,521	$ 522,081
4	OTHER OPERATION AND MAINTENANCE EXPENSES	566,390	591,945	549,450	506,098	425,586
5	DEPRECIATION AND AMORTIZATION EXPENSES	292,627	351,460	346,236	335,967	291,955
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	281,625	179,904	131,517	66,615	6,668
8	OTHER TAXES - OPERATING	215,281	223,936	209,683	177,918	185,114
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	14,729	12,626	44,002	58,643	55,811
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	2,280	5,040
11	EARNINGS AVAILABLE FOR COMMON EQUITY	279,913	255,739	195,274	106,503	79,647
12	TOTAL	$ 2,346,430	$ 2,286,146	$ 2,185,298	$ 1,865,545	$ 1,571,908
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	29.7	29.3	31.8	32.8	33.2
14	OTHER OPERATION AND MAINTENANCE EXPENSES	24.1	25.9	25.4	27.1	27.1
15	DEPRECIATION AND AMORTIZATION EXPENSES	12.5	15.4	16.0	18.0	18.6
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	12.0	7.9	6.1	3.6	0.4
18	OTHER TAXES - OPERATING	9.2	9.8	9.7	9.5	11.8
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	0.6	0.6	2.0	3.1	3.6
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	0.1	0.3
21	EARNINGS AVAILABLE FOR COMMON EQUITY	11.9	11.2	9.0	5.7	5.1
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 9.68	$ 9.87	$ 10.45	$ 9.26	$ 8.02
24	OTHER OPERATION AND MAINTENANCE EXPENSES	7.88	8.71	8.33	7.66	6.53
25	DEPRECIATION AND AMORTIZATION EXPENSES	4.07	5.17	5.25	5.09	4.48
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	3.92	2.65	1.99	1.01	0.10
28	OTHER TAXES - OPERATING	2.99	3.30	3.18	2.69	2.84
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	0.20	0.19	0.67	0.89	0.86
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	0.03	0.08
31	EARNINGS AVAILABLE FOR COMMON EQUITY	3.89	3.76	2.96	1.61	1.22
32	TOTAL	$ 32.64	$ 33.64	$ 32.82	$ 28.24	$ 24.13

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

SYLVAN LAKE TELEPHONE COMPANY, INC.

LINE NO.	ITEM		1985		1984		1983		1982		1981
	ASSETS AND OTHER DEBITS										
1	TELEPHONE PLANT	$	14,272,399	$	13,790,789	$	13,018,837	$	12,271,281	$	11,602,113
2	ACCUMULATED PROVISION FOR DEPR+AMORT		4,633,873		5,802,333		5,181,799		5,065,082		4,490,196
3	NET TELEPHONE PLANT		9,638,526		7,988,456		7,837,038		7,206,199		7,111,917
4	INVESTMENTS IN AFFILIATED COMPANIES		-		-		-		-		-
5	ADVANCES TO AFFILIATED COMPANIES		-		-		-		-		-
6	MISCELLANEOUS PHYSICAL PROPERTY		-		-		-		-		-
7	OTHER INVESTMENTS AND FUNDS		2,250		-		2,250		2,250		2,250
8	TOTAL INVESTMENTS AND FUNDS		2,250		-		2,250		2,250		2,250
9	CASH AND WORKING FUNDS		141,685		31,256		39,598		68,130		83,406
10	SPECIAL CASH DEPOSITS		1,000		1,000		1,000		1,000		1,000
11	TEMPORARY CASH INVESTMENTS		-		-		-		-		-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S		412,401		212,405		2,810		8,186		29,274
13	OTHER NOTES AND ACCOUNTS RECEIVABLE		100,444		880,151		184,096		96,886		139,685
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS		491,214		-		835,199		599,706		515,986
15	MATERIALS AND SUPPLIES*		197,213		204,647		188,085		406,667		475,853
16	PREPAYMENTS		97,447		89,111		108,114		77,514		76,499
17	OTHER CURRENT AND ACCRUED ASSETS		-		-		-		-		-
18	TOTAL CURRENT AND ACCRUED ASSETS		1,441,404		1,418,570		1,358,902		1,258,089		1,321,683
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE		95,191		103,199		112,117		38,638		41,064
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS		-		-		-		-		-
21	RESEARCH AND DEVELOPMENT		-		-		-		-		-
22	OTHER DEFERRED DEBITS		91,025		121,776		46,257		70,386		41,222
23	TOTAL DEFERRED DEBITS		186,216		224,975		158,374		109,024		82,286
24	TOTAL ASSETS AND OTHER DEBITS		11,268,396	$	9,632,001	$	9,356,564	$	8,575,562	$	8,518,136
	LIABILITIES AND OTHER CREDITS										
25	COMMON CAPITAL STOCK	$	168,000	$	168,000	$	168,000	$	168,000	$	168,000
26	PREFERRED CAPITAL STOCK		-		-		-		-		-
27	STOCK LIABILITY FOR CONVERSION		-		-		-		-		-
28	PREMIUM ON CAPITAL STOCK		257,300		257,300		257,300		257,300		257,300
29	CAPITAL STOCK SUBSCRIBED		-		-		-		-		-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK		-		-		-		-		-
31	OTHER PAID-IN CAPITAL		767,000		767,000		767,000		767,000		767,000
32	CAPITAL STOCK EXPENSE		-		-		-		-		-
33	RETAINED EARNINGS		2,965,553		2,645,210		2,475,852		2,226,728		2,063,748
34	TOTAL PROPRIETARY CAPITAL		4,157,853		3,837,510		3,668,152		3,419,028		3,256,048
35	BONDS(LESS BONDS REACQUIRED)		3,583,000		3,589,000		3,595,000		1,701,000		1,701,000
36	ADVANCES FROM AFFILIATED COMPANIES		-		-		175,000		1,740,000		2,052,000
37	OTHER LONG-TERM DEBT		-		-		-		-		-
38	TOTAL LONG-TERM DEBT		3,583,000		3,589,000		3,770,000		3,441,000		3,753,000
39	NOTES+ACCTS PAY TO AFFILIATED CO'S		712,724		-		34,451		66,139		92,137
40	OTHER NOTES AND ACCOUNTS PAYABLE		644,865		326,802		281,999		228,682		199,415
41	CUSTOMERS'DEPOSITS		29,008		35,022		29,883		28,286		27,415
42	ADVANCE BILLING AND PAYMENTS		16,666		-		20,579		22,989		26,770
43	TAXES ACCRUED		61,018		105,100		15,266-		20,540		79,558
44	OTHER CURRENT AND ACCRUED LIABILITIES		202,477		167,683		126,651		108,563		24,778
45	TOTAL CURRENT AND ACCRUED LIABILITIES		1,666,758		634,607		458,297		475,179		450,073
46	UNAMORTIZED PREMIUM ON DEBT		-		-		-		-		-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS		697,979		642,979		637,979		585,579		527,379
48	OTHER DEFERRED CREDITS		45,000		45,000		45,000		27,140		-
49	TOTAL DEFERRED CREDITS		742,979		687,979		682,979		612,719		527,379
50	OPERATING RESERVES		77,370		9,669		-		-		-
51	ACCUMULATED DEFERRED INCOME TAXES		1,040,436		873,236		777,136		627,636		531,636
52	TOTAL LIABILITIES AND OTHER CREDITS	$	11,268,396	$	9,632,001	$	9,356,564	$	8,575,562	$	8,518,136
	SELECTED BALANCE SHEET RELATIONSHIPS										
53	TELEPHONE PLANT PER DOLLAR OF REVENUE		2.75		3.15		3.22		3.19		3.12
54	CURRENT ASSETS/CURRENT LIABILITIES		0.86		2.24		2.97		2.65		2.94
	PERCENT OF CAPITALIZATION										
55	LONG-TERM DEBT		46.2		48.3		50.6		50.1		53.5
56	PREFERRED STOCK		-		-		-		-		-
57	COMMON STOCK+OTHER PAID-IN CAPITAL		15.4		16.0		16.0		17.3		17.0
58	RETAINED EARNINGS		38.3		35.6		33.2		32.4		29.4
	LONG-TERM DEBT										
59	PERCENT OF GROSS TELEPHONE PLANT		25.1		26.0		28.9		28.0		32.3
60	PERCENT OF NET TELEPHONE PLANT		37.1		44.9		48.1		47.7		52.7
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT		32.4		42.0		39.8		41.2		38.7

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

SYLVAN LAKE TELEPHONE COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES $	5,110,731 $	4,250,020 $	3,921,346 $	3,747,135 $	3,533,772	1
OPERATION AND MAINTENANCE EXPENSE	2,368,177	1,914,078	1,719,093	1,612,950	1,320,492	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	915,696	757,250	685,354	689,462	665,328	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	451,809	467,218	421,977	350,807	314,829	6
INCOME TAXES-OPERATING	178,760	149,716	96,194	187,060	223,645	7
OPERATING INCOME TAXES DEFERRED	181,800	110,200	164,600	110,800	112,500	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	14,800-	14,100-	15,100-	14,800-	13,900-	9
TOTAL OPERATING EXPENSES	4,081,732	3,384,362	3,072,118	2,916,279	2,612,894	10
TOTAL TELEPHONE OPERATING INCOME	1,028,999	865,658	849,228	830,856	920,878	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	74,571	22,967	18,857	583	9,141	13
ALLOWANCE FOR CONSTRUCTION FUNDS	48,644	4,482	4,089	14,579	29,200	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	7,754	-	-	-	16
MISCELLANEOUS INCOME	17,760	-	-	-	-	17
TOTAL OTHER INCOME	140,975	35,203	22,946	15,162	38,341	18
TOTAL INCOME	1,169,974	900,861	872,174	846,018	959,219	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	696	343	-	-	-	20
INCOME TAXES-NONOPERATING	41,057	13,169	7,554	287-	3,611	21
MISCELLANEOUS INCOME CHARGES	2,383	1,750	2,435	1,163	1,290	22
TOTAL INCOME DEDUCTIONS	44,136	15,262	9,989	896	4,901	23
INCOME BEFORE INTEREST CHARGES	1,125,838	885,599	862,185	845,122	954,318	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	385,854	386,181	286,246	144,589	149,566	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	8,008	8,008	6,287	2,427	2,561	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	5,874	3,833	62,846	219,926	257,987	29
TOTAL INTEREST CHARGES	399,736	398,022	355,379	366,942	410,114	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	726,102	487,577	506,806	478,180	544,204	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	40-	45,000-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	40-	45,000-	-	35
NET INCOME $	726,102 $	487,577 $	506,766 $	433,180 $	544,204	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	2,645,210 $	2,475,852 $	2,226,728 $	2,063,747 $	1,519,543	37
BALANCE TRANSFERRED FROM INCOME	726,102	487,577	506,766	433,180	544,205	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	405,760	318,219	257,642	270,199	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,965,553	2,645,210	2,475,852	2,226,728	2,063,748	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR $	2,965,553 $	2,645,210 $	2,475,852 $	2,226,728 $	2,063,748	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	46.3	45.0	43.8	43.0	37.3	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	17.9	17.8	17.4	18.3	18.5	49
TOTAL INCOME TAXES-OPERATING	6.8	5.8	6.3	7.0	9.1	50
OTHER TAXES-OPERATING	8.8	10.9	10.7	9.3	8.9	51
TOTAL OPERATING EXPENSES	79.8	79.6	78.3	77.8	73.9	52
OPERATING INCOME	20.1	20.3	21.6	22.1	26.0	53
DEPR. AND AMORT. % OF TELEPHONE PLANT	6.4	5.4	5.2	5.6	5.6	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	7.8	9.4	9.1	9.8	11.6	55
PRETAX INTEREST COVERAGE	3.8	2.9	3.1	3.0	3.1	56
NET INCOME-PERCENT OF OPERATING REVENUES	14.2	11.4	12.9	11.5	15.4	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	58
TIMES EARNED	-	-	-	-	-	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	7.9	7.4	6.5	7.2	-	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	55.8	65.2	50.8	62.3	-	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	18.1	12.9	14.3	12.9	18.2	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.1	8.4	7.2	8.0	-	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

SYLVAN LAKE TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 726,102	$ 487,577	$ 506,806	$ 478,180	$ 544,204
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	923,705	766,168	691,641	691,889	657,889
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	222,200	101,100	201,900	154,200	174,200
4	INTEREST CAPITALIZED	48,644-	4,482-	4,089-	14,579-	29,200-
5	OTHER (NET):	98,452	21,253	41,989	27,140	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,921,815	1,371,616	1,438,247	1,336,830	1,347,093
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	40-	45,000-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,921,815	1,371,616	1,438,207	1,291,830	1,347,093
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	405,760	318,218	257,642	270,199	-
12	NET FUNDS FROM INTERNAL SOURCES	1,516,055	1,053,398	1,180,565	1,021,631	1,347,093
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	1,894,000	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET):	-	-	-	-	2,052,000
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	1,894,000	-	2,052,000
20	OTHER SOURCES (NET):	1,017,653	107,307	-	95,715	10,652
21						
22						
23	TOTAL FUNDS PROVIDED	$ 2,533,708	$ 1,160,705	$ 3,074,565	$ 1,117,346	$ 3,409,745
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 2,565,766	$ 908,668	$ 1,316,193	$ 783,744	$ 1,274,211
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	2,565,766	908,668	1,316,193	783,744	1,274,211
28	LESS INTEREST CAPITALIZED	48,644	4,482	4,089	14,579	29,200
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	2,517,122	904,186	1,312,104	769,165	1,245,011
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	8,000	6,000	-	-	12,000
31	PREFERRED STOCK	-	-	79,766	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	6,000	1,153,000
34	OTHER (NET):	10,586	175,000	30,600	30,181	1,500
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	18,586	181,000	110,366	36,181	1,166,500
37	OTHER USES (NET):	-	75,519	1,652,095	312,000	998,234
38						
39						
40	TOTAL FUNDS APPLIED	$ 2,533,708	$ 1,160,705	$ 3,074,565	$ 1,117,346	$ 3,409,745

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

SYLVAN LAKE TELEPHONE COMPANY, INC

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	2,135,299 $	1,899,139 $	1,681,109 $	1,772,494 $	1,604,076	1
ACCESS REVENUES		-					2
TOLL REVENUES		2,589,354	2,068,385	2,017,557	1,774,829	1,765,035	3
MISCELLANEOUS REVENUES		416,207	311,453	248,605	224,490	184,545	4
UNCOLLECTIBLE REVENUES-DR		30,129	28,957	25,925	24,678	19,884	5
TOTAL TELEPHONE OPERATING REVENUE	$	5,110,731 $	4,250,020 $	3,921,346 $	3,747,135 $	3,533,772	6
TELEPHONE ACCESS LINES IN SERVICE		10,952	10,198	9,735	10,795	10,289	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 201.92	$ 190.55	$ 163.77	$ 168.14	$ 159.32	8
ACCESS REVENUE		-					9
TOLL REVENUE		244.86	207.33	198.55	168.38	175.31	10

*YEAR END AVERAGE

ITEM		1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	967,661 $	857,181 $	772,481 $	749,216 $	601,908	11
DEPRECIATION + AMORTIZATION EXPENSES		915,696	757,250	685,354	689,462	655,328	12
TRAFFIC EXPENSES		186,836	123,060	60,350	40,125	46,999	13
COMMERCIAL EXPENSES		409,787	357,268	349,351	345,588	315,456	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		510,493	380,382	312,016	239,873	215,330	16
OTHER OPERATING EXPENSES		293,400	216,187	224,895	238,148	140,199	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	3,283,873 $	2,671,328 $	2,404,447 $	2,302,412 $	1,975,820	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	13,892,040 $	13,312,947 $	12,787,453 $	11,986,983 $	11,011,909	19
PLANT UNDER CONSTRUCTION		302,190	399,673	153,215	206,129	512,035	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		2,013	2,013	2,013	2,013	2,013	22
PLANT ADJUSTMENTS		76,156	76,156	76,156	76,156	76,156	23
TOTAL TELEPHONE UTILITY PLANT		14,272,399	13,790,789	13,018,837	12,271,281	11,602,113	24
ACCUMULATED PROVISION FOR DEPR+AMORT		4,633,873	5,802,333	5,181,799	5,065,082	4,490,196	25
NET TELEPHONE PLANT	$	9,638,526 $	7,988,456 $	7,837,038 $	7,206,199 $	7,111,917	26
PLANT IN SERVICE BEGINNING OF YEAR	$	13,312,947 $	12,787,453 $	11,986,983 $	11,011,909 $	10,036,993	27
ADDITIONS		2,661,973	743,283	1,248,764	1,119,949	1,373,274	28
RETIREMENTS		2,082,880	217,789	448,294	144,875	415,364	29
TRANSFERS AND ADJUSTMENTS		-	-	-	-	17,006	30
PLANT IN SERVICE END OF YEAR	$	13,892,040 $	13,312,947 $	12,787,453 $	11,986,983 $	11,011,909	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

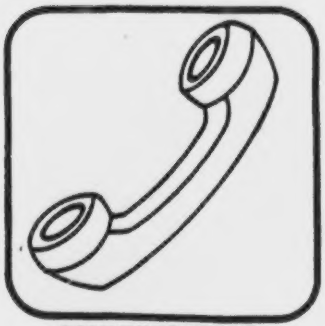
DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

SYLVAN LAKE TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 5,110,731	$ 4,250,020	$ 3,921,346	$ 3,747,135	$ 3,533,772
2	ACCESS LINES (AVERAGE*)	10,575	9,967	10,265	10,542	10,068
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 399,696	$ 407,862	$ 458,261	$ 474,008	$ 398,872
4	OTHER OPERATION AND MAINTENANCE EXPENSES	1,968,481	1,508,218	1,280,832	1,138,942	921,620
5	DEPRECIATION AND AMORTIZATION EXPENSES	915,696	757,250	685,354	689,462	665,328
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	345,960	245,816	245,694	263,080	322,245
8	OTHER TAXES - OPERATING	451,899	467,218	421,977	350,807	314,829
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	388,110	398,022	354,443	363,458	403,369
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	640,889	467,638	494,785	487,398	517,509
12	TOTAL	$ 5,110,731	$ 4,250,020	$ 3,921,346	$ 3,747,135	$ 3,533,772
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	7.8	9.6	11.7	12.6	11.3
14	OTHER OPERATION AND MAINTENANCE EXPENSES	38.5	35.4	32.2	30.4	26.1
15	DEPRECIATION AND AMORTIZATION EXPENSES	17.9	17.8	17.5	18.4	18.8
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	6.8	5.8	6.3	7.0	9.1
18	OTHER TAXES - OPERATING	8.8	11.0	10.8	9.4	8.9
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.6	9.4	9.0	9.7	11.4
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	12.5	11.0	12.6	12.5	14.6
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 3.15	$ 3.41	$ 3.72	$ 3.75	$ 3.30
24	OTHER OPERATION AND MAINTENANCE EXPENSES	15.51	12.59	10.24	9.00	7.63
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.22	6.33	5.56	5.45	5.42
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.73	2.06	1.99	2.08	2.67
28	OTHER TAXES - OPERATING	3.56	3.91	3.43	2.77	2.61
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.06	3.33	2.88	2.87	3.34
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	5.05	3.91	4.02	3.69	4.28
32	TOTAL	$ 40.27	$ 35.54	$ 31.83	$ 29.62	$ 29.25

* YEAR END AVERAGE



COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

TACONIC TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 25,024,793	$ 24,330,378	$ 22,219,339	$ 21,887,882	$ 19,877,174
2	ACCUMULATED PROVISION FOR DEPR+AMORT	9,769,192	9,020,762	8,210,307	7,233,829	6,442,243
3	NET TELEPHONE PLANT	15,255,601	15,309,616	14,709,032	14,653,833	13,434,931
4	INVESTMENTS IN AFFILIATED COMPANIES	400,010	299,290	474,454	411,829	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	1,726	1,726	1,726	1,726	1,726
7	OTHER INVESTMENTS AND FUNDS	41,378	36,378	36,378	36,378	-
8	TOTAL INVESTMENTS AND FUNDS	443,114	337,394	512,558	449,933	1,726
9	CASH AND WORKING FUNDS	340,094	304,962	281,345	159,817	102,825
10	SPECIAL CASH DEPOSITS	630,721	60,390	258,592	54,978	3,147
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	216,063	152,983	1,209	1,647	37
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	475,717	656,614	165,407	219,579	60,093
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	852,287	803,625	767,381	510,391	471,482
15	MATERIALS AND SUPPLIES*	345,937	317,384	275,728	264,177	351,924
16	PREPAYMENTS	200,725	280,453	178,356	186,545	162,275
17	OTHER CURRENT AND ACCRUED ASSETS	63,595	58,783	54,280	50,087	46,413
18	TOTAL CURRENT AND ACCRUED ASSETS	3,125,139	2,615,194	1,982,878	1,427,221	1,198,196
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	53,059	-	57,480	59,692	61,902
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	55,270	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	14,820	13,601	26,737	13,694	21,425
23	TOTAL DEFERRED DEBITS	67,879	68,871	84,217	73,386	83,327
24	TOTAL ASSETS AND OTHER DEBITS	18,891,733	$ 18,331,075	$ 17,288,685	$ 16,604,373	$ 14,718,180
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 677,719	$ 677,719	$ 677,719	$ 677,719	$ 677,719
26	PREFERRED CAPITAL STOCK	-	52,500	91,300	131,600	171,400
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	6,003,011	5,361,530	5,162,498	4,768,636	4,266,763
34	TOTAL PROPRIETARY CAPITAL	6,680,730	6,091,749	5,931,517	5,577,955	5,115,882
35	BONDS(LESS BONDS REACQUIRED)	8,846,905	8,922,775	8,998,771	9,056,046	6,590,250
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	8,846,905	8,922,775	8,998,771	9,056,046	6,590,250
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	17,934	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	279,131	836,156	178,288	409,787	1,826,231
41	CUSTOMERS'DEPOSITS	-	121,332	110,130	87,015	72,110
42	ADVANCE BILLING AND PAYMENTS	-	7,267	7,267	7,267	7,267
43	TAXES ACCRUED	25,973	-	204,576	26,692	134,324
44	OTHER CURRENT AND ACCRUED LIABILITIES	107,127	8,555	51,075	-	-
45	TOTAL CURRENT AND ACCRUED LIABILITIES	412,231	991,244	551,336	530,741	2,039,932
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	1,280,372	993,780	860,681	799,460	597,792
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	1,280,372	993,780	860,681	799,460	597,792
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	1,671,495	1,331,527	948,380	640,171	374,324
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 18,891,733	$ 18,331,075	$ 17,288,685	$ 16,604,373	$ 14,718,180
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.60	2.74	2.69	2.70	2.77
54	CURRENT ASSETS/CURRENT LIABILITIES	7.58	2.64	3.60	2.69	0.59
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	56.9	59.4	60.2	61.8	56.2
56	PREFERRED STOCK	-	0.3	0.6	0.8	1.4
57	COMMON STOCK+OTHER PAID-IN CAPITAL	4.3	4.5	4.5	4.6	5.7
58	RETAINED EARNINGS	38.6	35.7	34.5	32.5	36.4
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	35.3	36.6	39.2	41.3	33.1
60	PERCENT OF NET TELEPHONE PLANT	57.9	58.2	61.1	61.7	49.0
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	39.0	37.0	36.8	33.0	32.4

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

TACONIC TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 9,488,477	$ 8,810,449	$ 8,330,925	$ 7,737,934	$ 6,807,664	1
OPERATION AND MAINTENANCE EXPENSE	4,817,463	4,548,244	4,238,159	3,932,214	3,253,836	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	1,151,040	1,084,693	1,042,989	972,021	850,885	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	1,120,824	1,082,824	1,016,011	830,178	741,386	6
INCOME TAXES-OPERATING	275,022	162,045	224,760	182,412	364,095	7
OPERATING INCOME TAXES DEFERRED	356,511	396,080	323,861	280,569	142,271	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	16,543-	12,933-	15,452-	14,722-	17,639-	9
TOTAL OPERATING EXPENSES	7,704,317	7,240,953	6,830,128	6,182,672	5,334,834	10
TOTAL TELEPHONE OPERATING INCOME	1,784,160	1,369,496	1,500,797	1,555,262	1,472,830	11
OTHER INCOME						
DIVIDEND INCOME	1,429	1,340	1,249	-	-	12
INTEREST INCOME	28,080	28,388	15,830	31,748	2,854	13
ALLOWANCE FOR CONSTRUCTION FUNDS	16,907	43,075	35,769	87,452	53,637	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	13,831-	175,175-	49,946	275	6,128	17
TOTAL OTHER INCOME	32,585	102,372-	102,794	119,473	62,619	18
TOTAL INCOME	1,816,745	1,267,124	1,603,591	1,674,735	1,535,449	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	1,685	2,282	1,175	3,132	8,191	22
TOTAL INCOME DEDUCTIONS	1,685	2,282	1,175	3,132	8,191	23
INCOME BEFORE INTEREST CHARGES	1,815,060	1,264,842	1,602,416	1,671,603	1,527,258	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	967,152	900,589	938,969	755,205	574,670	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	2,211	2,211	2,212	2,211	2,211	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	23,809	15,641	10,976	160,010	159,155	29
TOTAL INTEREST CHARGES	993,172	918,441	952,157	917,426	736,036	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	821,888	346,401	650,259	754,177	791,222	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	17,478	132,123	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	17,478	132,123	-	-	-	35
NET INCOME	$ 839,366	$ 478,524	$ 650,259	$ 754,177	$ 791,222	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 5,462,250	$ 5,162,498	$ 4,768,636	$ 4,266,763	$ 3,712,557	37
BALANCE TRANSFERRED FROM INCOME	839,366	478,524	650,259	754,177	791,222	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	1,312	4,106	6,045	8,210	8,570	42
-COMMON STOCK	297,293	275,386	250,352	244,094	228,446	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	6,003,011	5,361,530	5,162,498	4,768,636	4,266,763	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 6,003,011	$ 5,361,530	$ 5,162,498	$ 4,768,636	$ 4,266,763	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	50.7	52.8	50.8	50.8	47.7	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	12.1	12.5	12.5	12.5	12.4	49
TOTAL INCOME TAXES-OPERATING	6.5	6.3	6.4	5.8	7.2	50
OTHER TAXES-OPERATING	11.8	12.3	12.1	10.7	10.8	51
TOTAL OPERATING EXPENSES	81.1	84.0	81.9	79.9	78.3	52
OPERATING INCOME	18.8	15.9	18.0	20.0	21.6	53
DEPR. AND AMORT % OF TELEPHONE PLANT	4.5	4.4	4.5	4.4	4.2	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	10.5	10.7	11.4	11.9	10.8	55
PRETAX INTEREST COVERAGE	2.4	2.0	2.2	2.3	2.7	56
NET INCOME-PERCENT OF OPERATING REVENUES	8.8	5.5	7.8	9.7	11.6	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	0.1	0.1	58
TIMES EARNED	-	116.5	107.6	91.9	92.3	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	3.1	3.1	3.0	3.1	3.3	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	35.4	58.0	38.5	32.7	29.1	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	13.1	7.9	11.4	14.3	16.7	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	4.6	4.6	4.4	4.6	4.8	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

TACONIC TELEPHONE CORPORATION

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 839,386	$ 346,401	$ 660,259	$ 754,177	$ 791,222
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	1,153,251	1,086,905	1,045,201	974,233	853,096
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	626,560	516,246	359,430	467,515	342,053
4	INTEREST CAPITALIZED	16,907-	43,075-	35,769-	87,452-	53,637-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	2,602,270	1,906,477	2,029,121	2,108,473	1,932,734
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	132,123	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	2,602,270	2,038,600	2,029,121	2,108,473	1,932,734
10	LESS DIVIDENDS PREFERRED	1,313	4,106	6,045	8,210	8,570
11	COMMON	297,293	275,386	250,352	244,094	228,446
12	NET FUNDS FROM INTERNAL SOURCES	2,303,664	1,759,108	1,772,724	1,856,169	1,695,718
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	2,465,796	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	300,000	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	300,000		2,465,796	-
20	OTHER SOURCES (NET)	16,226	76,984	41,997	117,851	451,374
21						
22						
23	TOTAL FUNDS PROVIDED	$ 2,319,890	$ 2,136,092	$ 1,814,721	$ 4,439,816	$ 2,147,092
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 1,097,025	$ 1,685,277	$ 1,098,188	$ 2,190,923	$ 2,166,432
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	1,097,025	1,685,277	1,098,188	2,190,923	2,166,432
28	LESS INTEREST CAPITALIZED	16,907	43,075	35,769	87,452	53,637
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,080,118	1,642,202	1,062,419	2,103,471	2,112,795
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	75,870	73,996	59,275	-	-
31	PREFERRED STOCK	52,500	38,800	40,300	39,800	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	300,000	-	-	-	-
34	OTHER (NET)	-	-	-	800,000	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	428,370	112,796	99,575	839,800	-
37	OTHER USES (NET)	811,402	381,094	652,727	1,496,545	34,297
38						
39						
40	TOTAL FUNDS APPLIED	$ 2,319,890	$ 2,136,092	$ 1,814,721	$ 4,439,816	$ 2,147,092

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

TACONIC TELEPHONE CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 2,882,188	$ 2,467,210	$ 2,282,429	$ 2,158,239	$ 2,005,705	1
ACCESS REVENUES	3,343,526					2
TOLL REVENUES	1,942,787	5,012,417	5,767,588	5,290,768	4,545,457	3
MISCELLANEOUS REVENUES	1,582,755	1,159,822	321,210	327,427	290,702	4
UNCOLLECTIBLE REVENUES-DR	42,779	29,000	20,300	38,500	34,200	5
TOTAL TELEPHONE OPERATING REVENUE	$ 9,488,477	$ 8,610,449	$ 8,330,925	$ 7,737,934	$ 6,807,664	6
TELEPHONE ACCESS LINES IN SERVICE	18,250	18,050	17,310	16,498	16,104	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 146 64	$ 139 51	$ 133 84	$ 132 28	$ 128 17	8
ACCESS REVENUE	184 17					9
TOLL REVENUE	107 01	283 43	341 20	324 57	285 94	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 2,163,972	$ 2,179,758	$ 2,010,692	$ 1,802,407	$ 1,515,581	11
DEPRECIATION + AMORTIZATION EXPENSES	1,191,040	1,084,693	1,042,989	972,021	850,685	12
TRAFFIC EXPENSES	323,844	318,308	292,204	273,659	249,700	13
COMMERCIAL EXPENSES	584,389	542,974	556,432	542,234	444,078	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	956,519	819,498	740,683	765,489	591,997	16
OTHER OPERATING EXPENSES	788,739	687,708	638,148	548,425	452,482	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 5,988,503	$ 5,632,937	$ 5,281,148	$ 4,904,235	$ 4,104,721	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 24,550,978	$ 23,911,450	$ 22,208,186	$ 21,178,783	$ 19,029,000	19
PLANT UNDER CONSTRUCTION	177,027	122,140	414,365	332,003	480,252	20
PROPERTY HELD FOR FUTURE USE	296,788	296,788	296,788	376,876	367,922	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-		-	23
TOTAL TELEPHONE UTILITY PLANT	25,024,793	24,330,378	22,919,339	21,887,662	19,877,174	24
ACCUMULATED PROVISION FOR DEPR+AMORT	9,769,192	9,020,762	8,210,307	7,233,829	6,442,243	25
NET TELEPHONE PLANT	$ 15,255,601	$ 15,309,616	$ 14,709,032	$ 14,653,833	$ 13,434,931	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 23,911,450	$ 22,208,186	$ 21,178,783	$ 19,029,000	$ 17,311,498	27
ADDITIONS	1,096,862	2,007,770	1,169,921	2,712,174	2,262,619	28
RETIREMENTS	457,334	304,506	140,518	298,276	176,232	29
TRANSFERS AND ADJUSTMENTS	-	-	-	264,115	368,885	30
PLANT IN SERVICE END OF YEAR	$ 24,550,978	$ 23,911,450	$ 22,208,186	$ 21,178,783	$ 19,029,000	31

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MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

TACONIC TELEPHONE CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 9,488,477	$ 8,610,449	$ 8,330,925	$ 7,737,934	$ 6,807,664
2	ACCESS LINES (AVERAGE*)	18,155	17,685	16,904	16,301	15,897
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 2,868,738	$ 2,715,847	$ 2,488,683	$ 2,449,484	$ 1,972,286
4	OTHER OPERATION AND MAINTENANCE EXPENSES	1,948,725	1,832,397	1,749,478	1,482,730	1,281,550
5	DEPRECIATION AND AMORTIZATION EXPENSES	1,151,040	1,084,693	1,042,989	972,021	850,885
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	614,990	545,192	532,989	448,259	488,727
8	OTHER TAXES - OPERATING	1,120,824	1,062,824	1,016,011	830,178	741,386
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	983,873	889,753	929,587	870,027	712,543
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1,298	3,977	5,902	7,685	8,195
11	EARNINGS AVAILABLE FOR COMMON EQUITY	798,982	475,768	585,308	677,550	752,092
12	TOTAL	$ 9,488,477	$ 8,610,449	$ 8,330,925	$ 7,737,934	$ 6,807,664
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	30.2	31.5	29.9	31.7	29.0
14	OTHER OPERATION AND MAINTENANCE EXPENSES	20.5	21.3	21.0	19.2	18.8
15	DEPRECIATION AND AMORTIZATION EXPENSES	12.1	12.6	12.5	12.6	12.5
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	6.5	6.3	6.4	5.8	7.2
18	OTHER TAXES - OPERATING	11.8	12.3	12.2	10.7	10.9
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	10.4	10.3	11.2	11.2	10.5
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	0.1	0.1	0.1
21	EARNINGS AVAILABLE FOR COMMON EQUITY	8.4	5.5	6.8	8.8	11.0
22	TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER AVERAGE ACCESS LINE PER MONTH			
23	WAGES AND BENEFITS	$ 13.17	$ 12.80	$ 12.27	$ 12.52	$ 10.34
24	OTHER OPERATION AND MAINTENANCE EXPENSES	8.94	8.63	8.62	7.58	6.72
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.28	5.11	5.14	4.97	4.46
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.82	2.57	2.63	2.29	2.56
28	OTHER TAXES - OPERATING	5.14	5.01	5.01	4.24	3.89
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.52	4.19	4.58	4.45	3.74
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.01	0.02	0.03	0.04	0.04
31	EARNINGS AVAILABLE FOR COMMON EQUITY	3.67	2.24	2.79	3.46	3.94
32	TOTAL	$ 43.55	$ 40.57	$ 41.07	$ 39.56	$ 35.69

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

TOWNSHIP TELEPHONE COMPANY, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 4,175,182	$ 3,724,306	$ 3,540,804	$ 3,299,562	$ 3,059,660
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,323,510	1,368,825	1,216,698	1,084,336	981,019
3	NET TELEPHONE PLANT	2,851,672	2,355,481	2,324,106	2,215,226	2,078,641
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-		-
6	MISCELLANEOUS PHYSICAL PROPERTY	9,656	-	1,500	1,500	1,500
7	OTHER INVESTMENTS AND FUNDS	8,000	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	17,656	-	1,500	1,500	1,500
9	CASH AND WORKING FUNDS	44,707	103,875	15,661	11,307	12,546
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	30,801	60,958	1,203	264	3,274
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	90,810	106,390	86,129	29,027	33,437
15	MATERIALS AND SUPPLIES*	35,182	35,319	28,911	21,835	34,132
16	PREPAYMENTS	81,784	83,288	72,444	53,725	36,879
17	OTHER CURRENT AND ACCRUED ASSETS	28,565	17,896	12,734	7,903	5,202
18	TOTAL CURRENT AND ACCRUED ASSETS	311,849	407,726	217,082	124,061	125,470
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	38,534	40,664	42,793	44,923	47,009
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	3,000	-	12,209	41,298
23	TOTAL DEFERRED DEBITS	38,534	43,664	42,793	57,132	88,307
24	TOTAL ASSETS AND OTHER DEBITS	3,219,711 $	2,806,871 $	2,585,481 $	2,397,919 $	2,293,918
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 48,400	$ 48,400	$ 48,400	$ 48,400	$ 48,400
26	PREFERRED CAPITAL STOCK	47,520	47,520	47,520	47,520	47,520
27	STOCK LIABILITY FOR CONVERSION	250	250	250	250	250
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	30,339	30,339	30,339	30,339	30,339
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	500,672	411,204	262,563	147,937	97,234
34	TOTAL PROPRIETARY CAPITAL	627,181	537,713	389,072	274,446	223,743
35	BONDS(LESS BONDS REACQUIRED)	-	-	-	-	-
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	1,812,461	1,866,688	1,917,434	1,858,817	1,842,158
38	TOTAL LONG-TERM DEBT	1,812,461	1,866,688	1,917,434	1,858,817	1,842,158
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	4,442
40	OTHER NOTES AND ACCOUNTS PAYABLE	496,614	162,674	129,703	184,028	165,844
41	CUSTOMERS' DEPOSITS	1,020	7,904	8,706	9,351	9,111
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	2,545	1,748	2,066	750	312
44	OTHER CURRENT AND ACCRUED LIABILITIES	33,434	32,070	31,692	18,598	18,192
45	TOTAL CURRENT AND ACCRUED LIABILITIES	533,613	204,396	172,167	212,727	197,901
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	84,545	92,210	50,024	19,492	15,490
48	OTHER DEFERRED CREDITS	2,900	-	1,250	1,250	1,250
49	TOTAL DEFERRED CREDITS	87,445	92,210	51,274	20,742	16,740
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	159,011	105,864	55,534	31,187	13,376
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,219,711	$ 2,806,871	$ 2,585,481	$ 2,397,919	$ 2,293,918
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	3.58	3.24	3.64	4.10	4.35
54	CURRENT ASSETS/CURRENT LIABILITIES	0.58	1.99	1.26	0.58	0.63
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	74.2	77.6	83.1	87.1	89.1
56	PREFERRED STOCK	1.9	1.9	2.0	2.2	2.3
57	COMMON STOCK+OTHER PAID-IN CAPITAL	3.2	3.2	3.4	3.7	3.8
58	RETAINED EARNINGS	20.5	17.1	11.3	6.9	4.7
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	43.4	50.1	54.1	56.3	60.2
60	PERCENT OF NET TELEPHONE PLANT	63.5	79.2	82.5	83.9	88.6
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	31.6	36.7	34.3	32.8	32.0

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

TOWNSHIP TELEPHONE COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,102,942 $	1,121,504 $	939,917 $	774,939 $	680,768	1
OPERATION AND MAINTENANCE EXPENSE	548,796	486,025	417,600	389,520	337,173	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	167,358	156,765	145,054	125,505	116,087	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	143,289	145,886	131,482	98,825	79,317	6
INCOME TAXES-OPERATING	-	60,020	36,699	5,840	8,329	7
OPERATING INCOME TAXES DEFERRED	53,779	44,430	37,400	19,375	10,862	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	633-	-	7,153-	1,564-	-	9
TOTAL OPERATING EXPENSES	912,589	893,126	761,082	637,501	551,768	10
TOTAL TELEPHONE OPERATING INCOME	190,353	228,378	178,835	137,438	129,000	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	2,022	1,743	-	-	-	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	4,223	3,038	-	-	-	16
MISCELLANEOUS INCOME	9,304	7,664	6,759	1,805	1,231	17
TOTAL OTHER INCOME	15,549	12,445	6,759	1,805	1,231	18
TOTAL INCOME	205,902	240,823	185,594	139,243	130,231	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	118	-	-	-	21
MISCELLANEOUS INCOME CHARGES	11,783	12,393	14,748	13,015-	28,922	22
TOTAL INCOME DEDUCTIONS	11,783	12,511	14,748	13,015-	28,922	23
INCOME BEFORE INTEREST CHARGES	194,119	228,312	170,846	152,258	101,309	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	67,431	68,886	68,885	63,371	61,705	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	2,129	2,130	2,129	2,087	1,959	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	32,225	5,884	5,993	6,140	2,869	29
TOTAL INTEREST CHARGES	101,785	76,900	77,007	71,598	66,533	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	92,334	151,412	93,839	80,660	34,776	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	95	30,579	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	12,826-	27,090-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	5,900-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	95	23,653	27,090-	-	35
NET INCOME	$ 92,334 $	151,507 $	117,492 $	53,570 $	34,776	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 411,204 $	262,563 $	147,937 $	97,234 $	65,325	37
BALANCE TRANSFERRED FROM INCOME	92,334	151,507	117,492	53,570	34,776	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	2,866	2,866	2,866	2,867	2,867	42
-COMMON STOCK	-	-	-	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	500,672	411,204	262,563	147,937	97,234	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 500,672 $	411,204 $	262,563 $	147,937 $	97,234	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	49.7	43.3	44.4	50.2	49.5	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	15.1	13.9	15.4	16.1	17.0	49
TOTAL INCOME TAXES-OPERATING	4.8	9.3	7.1	3.1	2.8	50
OTHER TAXES-OPERATING	12.9	13.0	13.9	12.7	11.6	51
TOTAL OPERATING EXPENSES	82.7	79.6	80.9	82.2	81.0	52
OPERATING INCOME	17.2	20.3	19.0	17.7	18.9	53
DEPR. AND AMORT.% OF TELEPHONE PLANT	4.0	4.2	4.0	3.8	3.7	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	9.2	6.9	8.2	9.2	9.8	55
PRETAX INTEREST COVERAGE	2.4	4.2	3.0	2.4	1.8	56
NET INCOME-PERCENT OF OPERATING REVENUES	8.3	13.5	12.5	6.9	5.1	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.2	0.2	0.3	0.3	0.4	58
TIMES EARNED	32.2	52.9	41.0	18.7	12.1	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	-	-	-	-	-	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	16.7	35.7	40.3	25.1	19.9	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	63

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MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

TOWNSHIP TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 92,334	$ 151,412	$ 93,839	$ 80,660	$ 34,776
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	184,247	172,846	159,920	140,498	130,667
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	45,482	92,516	54,879	21,813	17,899
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	58,053	7,758	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	380,116	424,532	308,638	242,969	183,342
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	95	23,653	27,090-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	380,116	424,627	332,291	215,879	183,342
10	LESS DIVIDENDS: PREFERRED	2,866	2,866	2,866	2,867	2,866
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	377,250	421,761	329,425	213,012	180,476
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	108,000	62,000	57,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	303,420	-	-	47,878	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	303,420	-	108,000	109,878	57,000
20	OTHER SOURCES (NET):	124,674	250	13,360	29,089	133,047
21						
22						
23	TOTAL FUNDS PROVIDED	$ 805,344	$ 422,011	$ 450,785	$ 351,979	$ 370,523
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 743,117	$ 209,850	$ 267,822	$ 272,457	$ 242,321
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	743,117	209,850	267,822	272,457	242,321
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	743,117	209,850	267,822	272,457	242,321
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	54,227	50,746	49,382	45,341	35,853
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	14,359	13,070		37,234
34	OTHER (NET):	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	54,227	65,105	62,452	45,341	73,087
37	OTHER USES (NET):	8,000	147,056	120,511	34,181	55,115
38						
39						
40	TOTAL FUNDS APPLIED	$ 805,344	$ 422,011	$ 450,785	$ 351,979	$ 370,523

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

TOWNSHIP TELEPHONE COMPANY, INC.

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 407,913	$ 393,392	$ 372,798	$ 352,839	$ 342,724	1
ACCESS REVENUES	243,418					2
TOLL REVENUES	403,939	681,849	558,065	417,319	329,580	3
MISCELLANEOUS REVENUES	59,866	48,957	15,838	15,648	16,032	4
UNCOLLECTIBLE REVENUES-DR	12,194	2,694	6,784	10,867	7,568	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,102,942	$ 1,121,504	$ 939,917	$ 774,939	$ 680,768	6
TELEPHONE ACCESS LINES IN SERVICE	4,436	4,221	4,060	3,923	3,751	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 94.24	$ 95.01	$ 93.40	$ 91.96	$ 92.42	8
ACCESS REVENUE	56.24					9
TOLL REVENUE	93.32	164.68	139.81	108.76	88.87	10

*YEAR END AVERAGE

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 234,472	$ 205,839	$ 168,339	$ 155,810	$ 117,851	11
DEPRECIATION + AMORTIZATION EXPENSES	167,358	156,765	145,054	125,505	116,087	12
TRAFFIC EXPENSES	28,780	25,925	23,052	22,399	21,020	13
COMMERCIAL EXPENSES	66,218	48,259	50,182	58,796	49,908	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	107,975	101,667	93,332	88,485	85,744	16
OTHER OPERATING EXPENSES	111,351	104,335	82,895	64,030	62,652	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 716,154	$ 642,790	$ 562,854	$ 515,025	$ 453,260	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 4,113,986	$ 3,652,318	$ 3,507,199	$ 3,216,585	$ 2,950,345	19
PLANT UNDER CONSTRUCTION	50,244	55,560	11,701	55,597	76,459	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	10,952	-	-	-	32,856	22
PLANT ADJUSTMENTS	-	16,428	21,904	27,380	-	23
TOTAL TELEPHONE UTILITY PLANT	4,175,182	3,724,306	3,540,804	3,299,562	3,059,660	24
ACCUMULATED PROVISION FOR DEPR+AMORT	1,323,510	1,368,825	1,216,698	1,084,336	981,019	25
NET TELEPHONE PLANT	$ 2,851,672	$ 2,355,481	$ 2,324,106	$ 2,215,226	$ 2,078,641	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 3,652,320	$ 3,507,199	$ 3,216,585	$ 2,950,345	$ 2,763,409	27
ADDITIONS	748,431	165,991	311,718	293,319	230,741	28
RETIREMENTS	276,994	20,870	21,104	27,079	43,805	29
TRANSFERS AND ADJUSTMENTS	9,771-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 4,113,986	$ 3,652,320	$ 3,507,199	$ 3,216,585	$ 2,950,345	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

TOWNSHIP TELEPHONE COMPANY, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,102,942	$ 1,121,504	$ 939,917	$ 774,939	$ 680,768
2	ACCESS LINES (AVERAGE*)	4,329	4,141	3,992	3,837	3,709
	DOLLAR AMOUNTS					
3	WAGES AND BENEFITS	$ 315,568	$ 283,708	$ 243,527	$ 207,886	$ 191,584
4	OTHER OPERATION AND MAINTENANCE EXPENSES	233,228	202,318	174,073	181,634	145,589
5	DEPRECIATION AND AMORTIZATION EXPENSES	167,388	158,705	145,054	125,505	116,087
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	53,148	104,450	66,946	23,651	19,191
8	OTHER TAXES - OPERATING	143,289	145,886	131,482	98,825	79,317
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	101,786	76,900	77,007	71,598	66,533
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	2,866	2,866	2,866	2,867	2,867
11	EARNINGS AVAILABLE FOR COMMON EQUITY	85,702	148,612	98,962	62,973	59,600
12	TOTAL	$ 1,102,942	$ 1,121,504	$ 939,917	$ 774,939	$ 680,768
	PERCENT OF REVENUES					
13	WAGES AND BENEFITS	28.6	25.3	25.9	26.8	28.1
14	OTHER OPERATION AND MAINTENANCE EXPENSES	21.1	18.0	18.5	23.4	21.4
15	DEPRECIATION AND AMORTIZATION EXPENSES	15.2	14.0	15.4	16.2	17.1
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	4.8	9.3	7.1	3.1	2.8
18	OTHER TAXES - OPERATING	13.0	13.0	14.0	12.8	11.7
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	9.2	6.9	8.2	9.2	9.8
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.3	0.3	0.3	0.4	0.4
21	EARNINGS AVAILABLE FOR COMMON EQUITY	7.8	13.3	10.5	8.1	8.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER AVERAGE ACCESS LINE PER MONTH					
23	WAGES AND BENEFITS	$ 6.08	$ 5.71	$ 5.08	$ 4.51	$ 4.31
24	OTHER OPERATION AND MAINTENANCE EXPENSES	4.49	4.07	3.63	3.94	3.27
25	DEPRECIATION AND AMORTIZATION EXPENSES	3.22	3.18	3.03	2.73	2.61
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	1.02	2.10	1.40	0.51	0.43
28	OTHER TAXES - OPERATING	2.76	2.94	2.75	2.15	1.78
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1.96	1.55	1.61	1.56	1.50
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.06	0.06	0.06	0.06	0.06
31	EARNINGS AVAILABLE FOR COMMON EQUITY	1.65	2.99	2.07	1.37	1.34
32	TOTAL	$ 21.23	$ 22.57	$ 19.62	$ 16.83	$ 15.30

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

TRUMANSBURG HOME TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 5,876,331	$ 5,488,192	$ 5,036,616	$ 4,753,701	$ 4,432,241
2	ACCUMULATED PROVISION FOR DEPR+AMORT	2,276,620	1,999,753	1,831,988	1,667,133	1,510,018
3	NET TELEPHONE PLANT	3,599,711	3,488,439	3,204,628	3,086,568	2,922,223
4	INVESTMENTS IN AFFILIATED COMPANIES	94,070	83,993	56,042	18,875	8,080
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	4,233	5,236	3,094	-	6,733
7	OTHER INVESTMENTS AND FUNDS	8,000	3,000	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	106,303	92,229	59,136	18,875	14,813
9	CASH AND WORKING FUNDS	553,149	151,724	262,855	64,660	43,707
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	69,269	471,253	58,146	53,354	37,863
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	70,243	4,890	2,378	1,650	3,559
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	457,345	132,260	76,959	63,561	40,992
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	-	274,527	221,528	173,172	194,043
15	MATERIALS AND SUPPLIES*	146,212	140,438	115,078	113,399	112,001
16	PREPAYMENTS	10,553	6,339	14,846	14,030	16,787
17	OTHER CURRENT AND ACCRUED ASSETS	180,517	137,676	155,444	122,343	94,183
18	TOTAL CURRENT AND ACCRUED ASSETS	1,487,288	1,319,107	907,234	606,369	543,135
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	4,451	5,149	5,847	6,545	4,350
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	
22	OTHER DEFERRED DEBITS	26,419	9,461	18,450	9,286	8,642
23	TOTAL DEFERRED DEBITS	30,870	14,610	24,297	15,831	12,992
24	TOTAL ASSETS AND OTHER DEBITS	5,224,172	$ 4,914,385	$ 4,195,295	$ 3,727,643	$ 3,493,163
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 240,000	$ 240,000	$ 240,000	$ 240,000	$ 240,000
26	PREFERRED CAPITAL STOCK	245,000	245,000	245,000	245,000	245,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	42,600	42,600	42,600	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	2,741,769	2,401,085	1,881,712	1,550,512	1,348,421
34	TOTAL PROPRIETARY CAPITAL	3,269,369	2,928,685	2,409,312	2,035,512	1,833,421
35	BONDS(LESS BONDS REACQUIRED)	683,500	688,500	693,500	698,500	703,750
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	683,500	688,500	693,500	698,500	703,750
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	206,062	28,669	49,009	57,612	44,789
40	OTHER NOTES AND ACCOUNTS PAYABLE	127,437	255,802	195,108	287,283	338,369
41	CUSTOMERS' DEPOSITS	-	15,342	15,835	11,310	10,050
42	ADVANCE BILLING AND PAYMENTS	28,558	29,917	21,580	19,147	19,762
43	TAXES ACCRUED	48,863	184,684	140,379	38,193	36,146
44	OTHER CURRENT AND ACCRUED LIABILITIES	28,159	32,008	29,426	21,328	30,249
45	TOTAL CURRENT AND ACCRUED LIABILITIES	439,079	546,402	451,337	434,873	479,365
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	268,648	245,168	218,818	194,748	165,496
48	OTHER DEFERRED CREDITS	-	1,934	3,869	5,803	7,737
49	TOTAL DEFERRED CREDITS	268,648	247,102	222,687	200,551	173,233
50	OPERATING RESERVES	-	2,500	2,500	4,000	4,000
51	ACCUMULATED DEFERRED INCOME TAXES	563,576	501,196	415,959	354,207	299,394
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 5,224,172	$ 4,914,385	$ 4,195,295	$ 3,727,643	$ 3,493,163
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.35	2.11	2.34	2.67	2.92
54	CURRENT ASSETS/CURRENT LIABILITIES	3.39	2.41	2.01	1.39	1.13
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	17.2	19.0	22.3	25.5	27.7
56	PREFERRED STOCK	6.1	6.7	7.8	8.9	9.6
57	COMMON STOCK+OTHER PAID-IN CAPITAL	7.1	7.8	9.1	8.7	9.4
58	RETAINED EARNINGS	69.3	66.3	60.6	56.7	53.1
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	11.6	12.5	13.7	14.6	15.8
60	PERCENT OF NET TELEPHONE PLANT	18.9	19.7	21.6	22.6	24.0
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	38.7	36.4	36.3	35.0	34.0

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

TRUMANSBURG HOME TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 2,413,343	$ 2,499,072	$ 2,088,565	$ 1,720,210	$ 1,445,864	1
OPERATION AND MAINTENANCE EXPENSE	1,148,642	1,035,031	968,091	942,119	755,234	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	307,528	220,916	208,868	187,820	192,704	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	278,273	256,260	217,885	188,609	161,197	6
INCOME TAXES-OPERATING	156,830	271,750	170,653	26,606	17,857	7
OPERATING INCOME TAXES DEFERRED	62,257	85,332	61,753	54,813	44,553	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	1,953,530	1,869,289	1,627,250	1,399,967	1,171,545	10
TOTAL TELEPHONE OPERATING INCOME	459,813	629,783	461,315	320,243	274,319	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	58,641	67,978	27,466	25,375	24,250	13
ALLOWANCE FOR CONSTRUCTION FUNDS	5,710	1,985	2,448	5,141	3,393	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	526	1,191	1,039	557	1,338	16
MISCELLANEOUS INCOME	10,131	19,035	13,413	15,531	10,800	17
TOTAL OTHER INCOME	75,008	90,189	44,366	46,604	39,781	18
TOTAL INCOME	534,821	719,972	505,681	366,847	314,100	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	2,199	2,549	1,030	981	-	20
INCOME TAXES-NONOPERATING	25,485	31,504	12,337	11,362	11,736	21
MISCELLANEOUS INCOME CHARGES	1,816	1,904	1,923	1,452	1,629	22
TOTAL INCOME DEDUCTIONS	29,500	35,957	15,290	13,795	13,365	23
INCOME BEFORE INTEREST CHARGES	505,321	684,015	490,391	353,052	300,735	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	89,325	89,535	90,075	81,870	49,589	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	698	698	699	777	817	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	12,000	14,904	11,457	18,056	18,602	29
TOTAL INTEREST CHARGES	102,023	105,137	102,231	100,703	69,008	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	403,298	578,878	388,160	252,349	231,727	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 403,298	$ 578,878	$ 388,160	$ 252,349	$ 231,727	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,401,087	$ 1,881,712	$ 1,550,512	$ 1,348,421	$ 1,164,794	37
BALANCE TRANSFERRED FROM INCOME	403,298	578,878	388,160	252,349	231,727	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	15,700	15,700	15,700	15,700	15,700	42
-COMMON STOCK	46,912	43,803	41,260	34,558	32,400	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,741,769	2,401,087	1,881,712	1,550,512	1,348,421	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,741,769	$ 2,401,085	$ 1,881,712	$ 1,550,512	$ 1,348,421	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	47.5	41.4	46.3	54.7	52.2	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	12.7	8.8	10.0	10.9	13.3	49
TOTAL INCOME TAXES-OPERATING	9.1	14.3	11.1	4.7	4.3	50
OTHER TAXES-OPERATING	11.5	10.2	10.4	10.9	11.1	51
TOTAL OPERATING EXPENSES	80.9	74.7	77.9	81.3	81.0	52
OPERATING INCOME	19.0	25.2	22.0	18.6	18.9	53
DEPR. AND AMORT % OF TELEPHONE PLANT	5.2	4.0	4.1	3.3	4.3	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	4.2	4.2	4.9	5.9	4.8	55
PRETAX INTEREST COVERAGE	7.4	10.2	7.2	4.4	5.4	56
NET INCOME-PERCENT OF OPERATING REVENUES	16.7	23.1	18.5	14.6	16.0	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK:						
PERCENT OF OPERATING REVENUES	0.6	0.6	0.7	0.9	1.0	58
TIMES EARNED	25.7	36.9	24.7	16.1	14.8	59
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF OPERATING REVENUES	1.9	1.7	1.9	2.0	2.2	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	12.1	7.7	11.0	14.6	14.9	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	13.5	23.2	18.8	14.0	14.4	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	1.6	1.8	2.0	2.0	2.1	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

TRUMANSBURG HOME TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 403,298	$ 578,878	$ 388,160	$ 252,349	$ 221,727
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	331,016	242,856	230,337	209,070	193,521
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	85,860	111,587	86,751	84,993	69,043
4	INTEREST CAPITALIZED	5,710-	1,985-	2,448-	5,141-	3,393-
5	OTHER (NET):	40,241-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	774,223	931,336	702,800	541,271	490,898
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	774,223	931,336	702,800	541,271	490,898
10	LESS DIVIDENDS: PREFERRED	15,700	15,700	15,700	15,700	15,700
11	COMMON	46,912	43,803	41,260	34,558	32,400
12	NET FUNDS FROM INTERNAL SOURCES	711,611	871,833	645,840	491,013	442,798
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	488,500	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	13,080	-	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	13,080	488,500	
20	OTHER SOURCES (NET)	13,035	29,909	13,159	2,439	49,333
21						
22						
23	TOTAL FUNDS PROVIDED	$ 724,646	$ 901,742	$ 672,079	$ 981,952	$ 492,131
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 451,667	$ 511,256	$ 331,695	$ 348,297	$ 468,305
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	12,951	37,167	10,795	
27	TOTAL GROSS ADDITIONS	451,667	524,207	368,862	359,092	468,305
28	LESS INTEREST CAPITALIZED	5,710	1,985	2,448	5,141	3,393
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	445,957	522,222	366,414	353,951	464,912
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	5,000	5,000	5,000	493,750	-
31	PREFERRED STOCK	-	-	-	-	8,750
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	
33	NET DECREASE IN SHORT TERM DEBT	4,650	950	-	17,550	3,200
34	OTHER (NET):	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	9,650	5,950	5,000	511,300	11,950
37	OTHER USES (NET)	269,039	373,570	300,665	116,701	15,269
38						
39						
40	TOTAL FUNDS APPLIED	$ 724,646	$ 901,742	$ 672,079	$ 981,952	$ 492,131

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

TRUMANSBURG HOME TELEPHONE COMPANY

ITEM		1985	1984	1983	1982	1981	LINE NO.
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	905,751 $	866,196 $	848,427 $	768,014 $	700,627	1
ACCESS REVENUES		887,474					2
TOLL REVENUES		383,405	1,549,575	1,170,425	887,010	702,299	3
MISCELLANEOUS REVENUES		245,713	98,301	79,713	72,186	60,938	4
UNCOLLECTIBLE REVENUES-DR		9,000	15,000	10,000	7,000	18,000	5
TOTAL TELEPHONE OPERATING REVENUE	$	2,413,343 $	2,499,072 $	2,088,565 $	1,720,210 $	1,445,864	6
TELEPHONE ACCESS LINES IN SERVICE		5,379	5,145	4,979	4,843	4,801	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 172.13	$ 171.12	$ 172.76	$ 159.27	$ 145.77	8
ACCESS REVENUE		168.86					9
TOLL REVENUE		72.88	306.12	238.33	183.95	147.12	10
*YEAR END AVERAGE							
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	557,676 $	522,470 $	481,420 $	476,950 $	354,443	11
DEPRECIATION + AMORTIZATION EXPENSES		307,528	220,916	208,868	187,820	192,704	12
TRAFFIC EXPENSES		34,591	31,903	21,772	24,120	22,893	13
COMMERCIAL EXPENSES		214,924	201,563	204,054	201,976	171,719	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		194,363	172,705	139,988	119,157	104,660	16
OTHER OPERATING EXPENSES		147,088	106,390	120,857	119,916	101,519	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	1,456,170 $	1,255,947 $	1,176,959 $	1,129,939 $	947,938	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	5,760,193 $	5,371,035 $	5,007,558 $	4,685,405 $	4,357,431	19
PLANT UNDER CONSTRUCTION		116,138	93,900	29,058	68,296	74,810	20
PROPERTY HELD FOR FUTURE USE		-	23,257	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		5,876,331	5,488,192	5,036,616	4,753,701	4,432,241	24
ACCUMULATED PROVISION FOR DEPR+AMORT		2,276,620	1,999,753	1,831,988	1,667,133	1,510,018	25
NET TELEPHONE PLANT	$	3,599,711 $	3,488,439 $	3,204,628 $	3,086,568 $	2,922,223	26
PLANT IN SERVICE BEGINNING OF YEAR	$	5,371,035 $	5,007,558 $	4,685,405 $	4,357,431 $	3,922,552	27
ADDITIONS		429,429	423,157	370,933	354,811	493,670	28
RETIREMENTS		40,271	59,680	48,780	34,959	58,791	29
TRANSFERS AND ADJUSTMENTS		-	-	-	8,122	-	30
PLANT IN SERVICE END OF YEAR	$	5,760,193 $	5,371,035 $	5,007,558 $	4,685,405 $	4,357,431	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

TRUMANSBURG HOME TELEPHONE COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 2,413,343	$ 2,499,072	$ 2,088,565	$ 1,720,210	$ 1,445,864
2	ACCESS LINES (AVERAGE*)	5,262	5,062	4,911	4,822	4,774
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 776,687	$ 649,251	$ 658,275	$ 653,386	$ 541,323
4	OTHER OPERATION AND MAINTENANCE EXPENSES	371,955	385,780	309,816	288,133	213,911
5	DEPRECIATION AND AMORTIZATION EXPENSES	307,528	220,916	208,868	187,520	192,704
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	219,087	357,082	232,406	81,419	62,410
8	OTHER TAXES - OPERATING	278,273	256,260	217,885	188,609	161,197
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	100,881	104,847	101,739	99,305	68,346
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	15,500	15,648	15,614	15,433	15,490
11	EARNINGS AVAILABLE FOR COMMON EQUITY	343,432	509,288	343,962	205,505	190,483
12	TOTAL	$ 2,413,343	$ 2,499,072	$ 2,088,565	$ 1,720,210	$ 1,445,864
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	32.2	26.0	31.5	38.0	37.4
14	OTHER OPERATION AND MAINTENANCE EXPENSES	15.4	15.4	14.8	16.7	14.8
15	DEPRECIATION AND AMORTIZATION EXPENSES	12.7	8.8	10.0	10.9	13.3
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	9.1	14.3	11.1	4.7	4.3
18	OTHER TAXES - OPERATING	11.5	10.3	10.4	11.0	11.1
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.2	4.2	4.9	5.8	4.7
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.6	0.7	0.9	1.1
21	EARNINGS AVAILABLE FOR COMMON EQUITY	14.2	20.4	16.5	11.9	13.2
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 12.30	$ 10.69	$ 11.17	$ 11.30	$ 9.45
24	OTHER OPERATION AND MAINTENANCE EXPENSES	5.89	6.35	5.26	4.98	3.73
25	DEPRECIATION AND AMORTIZATION EXPENSES	4.87	3.64	3.54	3.25	3.36
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	3.47	5.88	3.94	1.41	1.09
28	OTHER TAXES - OPERATING	4.41	4.22	3.70	3.26	2.81
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1.60	1.73	1.73	1.72	1.19
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.25	0.26	0.26	0.27	0.27
31	EARNINGS AVAILABLE FOR COMMON EQUITY	5.44	8.38	5.84	3.55	3.33
32	TOTAL	$ 38.22	$ 41.14	$ 35.44	$ 29.73	$ 25.24

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

VERNON TELEPHONE COMPANY, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 3,357,088	$ 3,213,037	$ 2,984,585	$ 2,911,368	$ 2,848,320
2	ACCUMULATED PROVISION FOR DEPR+AMORT	715,297	1,185,893	1,042,015	899,829	762,280
3	NET TELEPHONE PLANT	2,641,791	2,027,144	1,942,570	2,011,539	2,086,040
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	38,556	11,957	11,957	-	-
7	OTHER INVESTMENTS AND FUNDS	18,500	18,500	18,500	18,500	13,500
8	TOTAL INVESTMENTS AND FUNDS	57,056	30,457	30,457	18,500	13,500
9	CASH AND WORKING FUNDS	25,098	7,194	53,430	28,507	56,691
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	5,287	77,378	136,244	211,183	112,214
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	183,721	81,567	96,118	18,293	72,398
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	108,317	98,748	119,027	113,237	97,805
15	MATERIALS AND SUPPLIES*	170,887	150,472	116,567	80,820	53,734
16	PREPAYMENTS	45,713	42,830	35,133	33,239	31,447
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	539,033	458,179	515,599	485,079	424,289
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	5,185	5,362	37-	5,758	5,988
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	5,560	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	-	-	-
23	TOTAL DEFERRED DEBITS	5,185	5,362	5,523	5,758	5,958
24	TOTAL ASSETS AND OTHER DEBITS	3,243,045 $	2,521,142 $	2,494,149 $	2,520,878 $	2,529,785
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 70,000	$ 70,000	$ 70,000	$ 70,000	$ 70,000
26	PREFERRED CAPITAL STOCK	88,500	88,500	88,800	95,000	95,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	644,880	520,997	584,615	556,546	534,308
34	TOTAL PROPRIETARY CAPITAL	803,380	679,497	743,415	721,546	699,308
35	BONDS(LESS BONDS REACQUIRED)	2,192,823	1,548,671	1,574,632	1,599,295	1,622,709
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	2,192,823	1,548,671	1,574,632	1,599,295	1,622,709
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	103,231	126,321	-	51,913	47,014
41	CUSTOMERS' DEPOSITS	-	1,695	19,567	-	-
42	ADVANCE BILLING AND PAYMENTS	4,266	8,126	-	6,720	4,885
43	TAXES ACCRUED	3,954	5,616	6,313	4,044-	1,886
44	OTHER CURRENT AND ACCRUED LIABILITIES	22,373	27,931	38,258	27,044	17,813
45	TOTAL CURRENT AND ACCRUED LIABILITIES	133,824	167,689	64,138	81,633	71,598
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	94,535	101,755	108,975	118,371	124,541
48	OTHER DEFERRED CREDITS	8,004	3,223	932	842-	842-
49	TOTAL DEFERRED CREDITS	102,539	104,978	109,807	117,529	123,699
50	OPERATING RESERVES	18,400	22,645		6,000-	-
51	ACCUMULATED DEFERRED INCOME TAXES	7,931-	2,338-	2,157	6,873	12,471
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,243,045 $	2,521,142 $	2,494,149 $	2,520,878 $	2,529,785
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	2.22	2.88	2.64	2.68	2.38
54	CURRENT ASSETS/CURRENT LIABILITIES	4.03	2.73	8.04	5.94	5.93
	PERCENT OF CAPITALIZATION					
55	LONG-TERM DEBT	73.1	69.5	67.9	68.9	69.8
56	PREFERRED STOCK	2.8	3.9	3.8	4.0	4.0
57	COMMON STOCK+OTHER PAID-IN CAPITAL	2.3	3.1	3.0	3.0	3.0
58	RETAINED EARNINGS	21.5	23.3	25.2	23.9	23.0
	LONG-TERM DEBT					
59	PERCENT OF GROSS TELEPHONE PLANT	65.3	48.1	52.7	54.9	56.9
60	PERCENT OF NET TELEPHONE PLANT	83.0	76.3	81.0	79.5	77.7
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	21.3	36.9	34.9	30.9	26.7

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

VERNON TELEPHONE COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,481,191	$ 1,167,853	$ 1,118,385	$ 1,074,531	$ 1,174,413	1
OPERATION AND MAINTENANCE EXPENSE	848,208	821,852	698,802	705,248	661,009	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	164,424	135,028	131,252	129,849	126,010	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	134,581	143,903	128,128	120,128	116,856	6
INCOME TAXES-OPERATING	7,220-	7,220-	9,396-	6,170-	29,195	7
OPERATING INCOME TAXES DEFERRED	8,006-	4,023-	2,221-	1,580-	3,103-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	413	472-	2,489-	4,018-	2,983-	9
TOTAL OPERATING EXPENSES	1,134,380	1,089,086	944,070	943,455	926,204	10
TOTAL TELEPHONE OPERATING INCOME	346,811	78,587	174,285	131,076	248,209	11
OTHER INCOME						
DIVIDEND INCOME	425	400	350	350	-	12
INTEREST INCOME	3,225	12,158	13,775	19,944	11,152	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	10,556	-	-	-	-	16
MISCELLANEOUS INCOME	65,967-	35,450-	48,994-	15,765-	26,561-	17
TOTAL OTHER INCOME	51,781-	22,892-	34,869-	4,529	15,409-	18
TOTAL INCOME	295,050	55,695	139,416	135,605	232,800	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	5,337	4,755	1,388	1,720	4,515	22
TOTAL INCOME DEDUCTIONS	5,337	4,755	1,388	1,720	4,515	23
INCOME BEFORE INTEREST CHARGES	289,713	50,940	138,028	133,885	228,285	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	69,330	86,052	87,412	88,671	89,895	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	198	198	198	198	198	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	82,593	459	222	-	678	29
TOTAL INTEREST CHARGES	152,121	86,709	87,832	88,869	90,771	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	137,592	35,769-	50,196	45,016	137,514	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	5,730-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-		34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	5,730-	-	-		35
NET INCOME	$ 137,592	$ 41,499-	$ 50,196	$ 45,016	$ 137,514	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 520,996	$ 584,614	$ 556,546	$ 534,308	$ 419,794	37
BALANCE TRANSFERRED FROM INCOME	137,592	41,499-	50,196	45,016	137,514	38
MISCELLANEOUS CREDITS	3,330	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	278	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	5,227	5,319	5,328	5,700	5,700	42
-COMMON STOCK	9,800	16,800	16,800	16,800	16,800	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	646,890	520,996	584,614	556,546	534,308	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 646,890	$ 520,997	$ 584,615	$ 556,546	$ 534,308	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	57.2	70.3	62.4	65.6	56.2	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	11.1	11.5	11.7	12.0	10.7	49
TOTAL INCOME TAXES-OPERATING	0.8-	0.9-	1.2-	1.0-	1.9	50
OTHER TAXES-OPERATING	9.0	12.3	11.4	11.1	9.9	51
TOTAL OPERATING EXPENSES	76.5	93.2	84.4	87.8	78.8	52
OPERATING INCOME	23.4	6.7	15.5	12.1	21.1	53
DEPR. AND AMORT. % OF TELEPHONE PLANT	4.8	4.2	4.3	4.4	4.4	54
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	10.3	7.4	7.9	8.3	7.7	55
PRETAX INTEREST COVERAGE	1.8	0.5	1.4	1.4	2.8	56
NET INCOME-PERCENT OF OPERATING REVENUES	9.2	-	4.4	4.1	11.7	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.3	0.4	0.4	0.5	0.4	58
TIMES EARNED	26.3	-	9.4	7.9	24.1	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	0.6	1.4	1.5	1.5	1.4	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	7.4	-	37.4	42.7	12.7	61
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	20.2	-	7.0	6.3	24.1	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	1.4	2.6	2.6	2.7	3.0	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

VERNON TELEPHONE COMPANY, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 137,592	$ 35,769-	$ 50,196	$ 45,016	$ 137,515
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	206,990	176,700	169,219	194,523	156,510
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	12,813-	11,715-	14,112-	11,768-	20,471
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	331,769	129,216	205,303	227,771	314,496
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	331,769	129,216	205,303	227,771	314,496
10	LESS DIVIDENDS PREFERRED	5,227	5,319	5,328	5,700	5,700
11	COMMON	9,800	16,800	16,800	16,800	16,800
12	NET FUNDS FROM INTERNAL SOURCES	316,742	107,097	183,175	205,271	291,996
	EXTERNAL SOURCES					
13	LONG TERM DEBT	644,151	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	15,000	5,000	-	-	-
17	OTHER (NET)	3,330	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	662,481	5,000	-	-	-
20	OTHER SOURCES (NET)	9,085	225,372	16,331	44,481	41,963
21						
22						
23	TOTAL FUNDS PROVIDED	$ 988,308	$ 337,469	$ 199,506	$ 249,752	$ 333,959
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 825,744	$ 297,744	$ 108,708	$ 164,307	$ 208,196
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	825,744	297,744	108,708	164,307	208,196
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	825,744	297,744	108,708	164,307	208,196
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	26,261	30,863	23,414	22,233
31	PREFERRED STOCK	2,000	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	5,730	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	2,000	31,991	30,863	23,414	22,233
37	OTHER USES (NET)	160,564	7,734	59,935	62,031	103,530
38						
39						
40	TOTAL FUNDS APPLIED	$ 988,308	$ 337,469	$ 199,506	$ 249,752	$ 333,959

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

VERNON TELEPHONE COMPANY, INC

ITEM		1985	1984	1983	1982	1981	LINE NO.
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	402,887 $	397,412 $	389,314 $	393,149 $	452,135	1
ACCESS REVENUES		372,362					2
TOLL REVENUES		624,884	754,310	712,293	662,869	701,236	3
MISCELLANEOUS REVENUES		90,058	27,462	28,250	23,313	21,042	4
UNCOLLECTIBLE REVENUES-DR		9,000	11,531	9,500	4,800	-	5
TOTAL TELEPHONE OPERATING REVENUE	$	1,481,191 $	1,167,653 $	1,120,357 $	1,074,531 $	1,174,413	6
TELEPHONE ACCESS LINES IN SERVICE		2,549	1,871	1,832	1,797	1,794	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 182.30	$ 214.64	$ 214.56	$ 218.96	$ 255.66	8
ACCESS REVENUE		168.49					9
TOLL REVENUE		282.75	407.40	392.56	369.18	396.51	10
*YEAR END AVERAGE							
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	353,568 $	392,176 $	355,381 $	362,844 $	308,511	11
DEPRECIATION + AMORTIZATION EXPENSES		164,424	135,026	131,252	129,849	126,010	12
TRAFFIC EXPENSES		30,982	37,189	8,822	8,894	8,565	13
COMMERCIAL EXPENSES		65,506	54,510	51,792	53,020	62,616	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		228,486	193,133	171,489	172,505	181,953	16
OTHER OPERATING EXPENSES		169,666	144,844	111,318	107,985	99,364	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	1,012,632 $	956,878 $	830,054 $	835,097 $	787,019	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	3,357,088 $	3,213,037 $	2,984,585 $	2,911,368 $	2,848,320	19
PLANT UNDER CONSTRUCTION		-	-	-	-	-	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	73
TOTAL TELEPHONE UTILITY PLANT		3,357,088	3,213,037	2,984,585	2,911,368	2,848,320	24
ACCUMULATED PROVISION FOR DEPR+AMORT		715,297	1,185,893	1,042,015	899,829	762,280	25
NET TELEPHONE PLANT	$	2,641,791 $	2,027,144 $	1,942,570 $	2,011,539 $	2,086,040	26
PLANT IN SERVICE BEGINNING OF YEAR	$	3,213,037 $	2,984,585 $	2,911,368 $	2,848,318 $	2,702,924	27
ADDITIONS		891,039	298,916	98,467	145,425	208,410	28
RETIREMENTS		746,988	70,464	35,415	82,375	62,798	29
TRANSFERS AND ADJUSTMENTS		-	-	10,165	-	218-	30
PLANT IN SERVICE END OF YEAR	$	3,357,088 $	3,213,037 $	2,984,585 $	2,911,368 $	2,848,318	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

VERNON TELEPHONE COMPANY, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,481,191	$ 1,167,653	$ 1,118,355	$ 1,074,531	$ 1,174,413
2	ACCESS LINES (AVERAGE*)	2,210	1,852	1,815	1,796	1,769
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 309,224	$ 332,654	$ 314,074	$ 401,889	$ 307,753
4	OTHER OPERATION AND MAINTENANCE EXPENSES	538,984	489,198	384,728	303,359	353,256
5	DEPRECIATION AND AMORTIZATION EXPENSES	164,424	135,028	131,252	129,849	126,010
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	12,813-	11,715-	14,112-	11,768-	22,529
8	OTHER TAXES - OPERATING	134,561	143,903	128,128	120,126	116,656
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	152,121	86,709	87,832	88,869	90,771
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	5,227	5,319	5,328	5,700	5,700
11	EARNINGS AVAILABLE FOR COMMON EQUITY	189,483	13,441-	81,125	36,507	151,738
12	TOTAL	$ 1,481,191	$ 1,167,653	$ 1,118,355	$ 1,074,531	$ 1,174,413
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	20.9	28.5	28.1	37.4	26.2
14	OTHER OPERATION AND MAINTENANCE EXPENSES	36.4	41.9	34.4	28.2	30.1
15	DEPRECIATION AND AMORTIZATION EXPENSES	11.1	11.6	11.7	12.1	10.7
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	0.8-	0.9-	1.2-	1.0-	1.9
18	OTHER TAXES - OPERATING	9.1	12.3	11.5	11.2	9.9
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	10.3	7.4	7.9	8.3	7.7
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.5	0.5	0.5	0.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	12.8	1.1-	7.3	3.4	12.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 11.68	$ 14.97	$ 14.42	$ 18.65	$ 14.50
24	OTHER OPERATION AND MAINTENANCE EXPENSES	20.32	22.02	17.67	14.08	16.65
25	DEPRECIATION AND AMORTIZATION EXPENSES	6.20	6.08	6.03	6.03	5.94
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	0.47-	0.52-	0.64-	0.54-	1.06
28	OTHER TAXES - OPERATING	5.07	6.48	5.88	5.58	5.50
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.74	3.90	4.03	4.12	[illegible]
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.20	0.24	0.24	0.26	0.27
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.14	0.59-	3.73	1.69	7.15
32	TOTAL	$ 55.85	$ 52.55	$ 51.36	$ 49.87	$ 55.34

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

WARWICK VALLEY TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
			ASSETS AND OTHER DEBITS			
1	TELEPHONE PLANT	$ 17,751,829	$ 15,112,758	$ 14,447,286	$ 14,120,072	$ 13,881,046
2	ACCUMULATED PROVISION FOR DEPR+AMORT	5,663,910	4,779,094	4,076,694	3,414,649	3,472,080
3	NET TELEPHONE PLANT	12,087,919	10,333,665	10,370,592	10,705,423	10,388,966
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	4,784	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	4,281	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	159,684	78,760	43,209	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	159,684	78,760	47,490	4,784	-
9	CASH AND WORKING FUNDS	80,919	2,665	131,337	28,087	105,138
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	1,238,709	796,675	33,610	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	1,199,795	784,192	186,103	101,675	10,841
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	984,508	883,322	831,692	869,560	758,055
15	MATERIALS AND SUPPLIES*	543,244	515,677	350,933	427,877	293,284
16	PREPAYMENTS	24,887	118,588	48,472	88,033	73,596
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	6,285
18	TOTAL CURRENT AND ACCRUED ASSETS	4,080,040	3,101,139	1,582,147	1,515,232	1,247,199
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	49,526	59,211	69,035	25,269	27,844
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	24,127	37,449	30,853	39,846	16,118
23	TOTAL DEFERRED DEBITS	73,653	96,660	99,388	65,115	43,962
24	TOTAL ASSETS AND OTHER DEBITS	16,371,298	$ 13,610,224	$ 12,100,117	$ 12,290,554	$ 11,680,147
			LIABILITIES AND OTHER CREDITS			
25	COMMON CAPITAL STOCK	$ 1,557,218	$ 1,557,218	$ 1,557,218	$ 1,555,913	$ 1,393,598
26	PREFERRED CAPITAL STOCK	500,000	500,000	500,000	500,000	500,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	31,607-	31,607-	31,607-	-	-
33	RETAINED EARNINGS	4,676,526	3,800,312	3,259,019	3,208,096	3,020,346
34	TOTAL PROPRIETARY CAPITAL	6,702,137	5,825,923	5,284,630	5,264,009	4,913,944
35	BONDS(LESS BONDS REACQUIRED)	4,146,000	4,475,800	4,605,400	2,735,000	3,098,600
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	4,146,000	4,475,800	4,605,400	2,735,000	3,098,600
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	3,310,284	1,019,960	337,464	3,444,073	2,680,165
41	CUSTOMERS' DEPOSITS	138,894	131,590	112,779	102,607	99,364
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	87,750	396,912	234,797	384,138-	156,850
44	OTHER CURRENT AND ACCRUED LIABILITIES	131,905	129,290	173,885	87,765	62,132
45	TOTAL CURRENT AND ACCRUED LIABILITIES	3,668,833	1,677,752	858,925	3,250,307	2,998,511
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	598,780	573,132	509,882	486,837	322,218
48	OTHER DEFERRED CREDITS	39,540	15,965	4,205	-	-
49	TOTAL DEFERRED CREDITS	638,320	589,097	514,087	486,837	322,218
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	1,216,008	1,041,662	837,075	554,401	346,874
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 16,371,298	$ 13,610,224	$ 12,100,117	$ 12,290,554	$ 11,680,147
			SELECTED BALANCE SHEET RELATIONSHIPS			
53	TELEPHONE PLANT PER DOLLAR OF REVENUE	1.97	1.93	2.18	2.35	2.25
54	CURRENT ASSETS/CURRENT LIABILITIES	1.10	1.85	1.84	0.47	0.42
	PERCENT OF CAPITALIZATION:					
55	LONG-TERM DEBT	38.2	43.4	46.5	34.1	38.6
56	PREFERRED STOCK	4.6	4.8	5.0	6.2	6.2
57	COMMON STOCK+OTHER PAID-IN CAPITAL	14.0	14.8	15.4	19.4	17.3
58	RETAINED EARNINGS	43.1	36.8	32.9	40.1	37.6
	LONG-TERM DEBT:					
59	PERCENT OF GROSS TELEPHONE PLANT	23.3	29.6	31.8	19.3	22.3
60	PERCENT OF NET TELEPHONE PLANT	34.2	43.3	44.4	25.5	29.8
61	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	31.9	31.6	28.2	24.1	25.0

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

WARWICK VALLEY TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 8,356,461	$ 7,655,256	$ 6,541,468	$ 5,965,303	$ 5,774,287	1
OPERATION AND MAINTENANCE EXPENSE	3,644,010	3,508,940	3,377,433	3,254,884	2,974,992	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	1,012,496	1,026,951	890,835	758,790	648,951	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	928,588	900,458	822,887	675,882	632,768	6
INCOME TAXES-OPERATING	901,238	620,721	243,218	67,179	328,821	7
OPERATING INCOME TAXES DEFERRED	228,334	281,104	320,989	236,698	100,703	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	53,980-	56,527-	38,315-	29,171-	19,498-	9
TOTAL OPERATING EXPENSES	6,660,686	6,261,648	5,617,047	4,964,262	4,665,337	10
TOTAL TELEPHONE OPERATING INCOME	1,695,775	1,393,608	924,421	1,001,041	1,058,950	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	90,170	43,958	20,491	362	2,367	13
ALLOWANCE FOR CONSTRUCTION FUNDS	10,612	24,256	-	82,699	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	33,791	65,778-	15,498-	17,370	28,200	17
TOTAL OTHER INCOME	134,573	2,436	4,993	100,431	30,567	18
TOTAL INCOME	1,830,348	1,396,043	929,414	1,101,472	1,089,517	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	29,580	15,211-	8,283-	8,354-	-	21
MISCELLANEOUS INCOME CHARGES	3,234	3,583	3,043	3,069	3,226	22
TOTAL INCOME DEDUCTIONS	32,814	11,628-	5,240-	5,285-	3,226	23
INCOME BEFORE INTEREST CHARGES	1,797,534	1,407,671	934,654	1,106,757	1,086,291	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	425,400	442,536	393,665	230,935	248,265	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	9,685	9,824	8,058	2,575	2,718	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	13,141	5,565	146,100	360,860	178,287	29
TOTAL INTEREST CHARGES	448,226	457,925	547,823	594,370	429,270	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	1,349,308	949,746	386,831	512,387	657,021	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	33,828	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	15,560	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	18,268	-	-	-	-	35
NET INCOME	$ 1,367,576	$ 949,746	$ 386,831	$ 512,387	$ 657,021	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 3,800,312	$ 3,259,019	$ 3,208,096	$ 3,020,346	$ 2,668,324	37
BALANCE TRANSFERRED FROM INCOME	1,367,576	949,746	386,831	512,387	657,022	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	25,000	25,000	25,000	25,000	25,000	42
-COMMON STOCK	466,362	383,453	310,908	299,637	280,000	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	4,676,526	3,800,312	3,259,019	3,208,096	3,020,346	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 4,676,526	$ 3,800,312	$ 3,259,019	$ 3,208,096	$ 3,020,346	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	43.6	45.8	51.6	54.5	51.9	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	12.1	13.4	13.6	12.7	11.3	49
TOTAL INCOME TAXES-OPERATING	12.9	10.8	8.0	4.6	7.1	50
OTHER TAXES-OPERATING	11.1	11.7	12.5	11.3	11.0	51
TOTAL OPERATING EXPENSES	79.7	81.7	85.8	83.2	81.5	52
OPERATING INCOME	20.2	18.2	14.1	16.7	18.4	53
DEPR. AND AMORT. % OF TELEPHONE PLANT	5.7	6.7	6.1	5.3	4.6	54
INTEREST EXPENSE:						
PERCENT OF OPERATING REVENUES	5.4	6.0	8.4	10.0	7.5	55
PRETAX INTEREST COVERAGE	6.5	4.8	2.6	2.3	3.4	56
NET INCOME-PERCENT OF OPERATING REVENUES	16.3	12.4	5.9	8.5	11.4	57
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.2	0.3	0.3	0.4	0.4	58
TIMES EARNED	54.7	38.0	15.5	20.5	26.3	59
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	5.5	5.0	4.7	5.0	4.8	60
PERCENT OF EARNINGS AVAILABLE FOR COMMON STOCK	34.7	41.4	86.9	61.4	44.3	61
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	23.2	18.2	7.5	10.6	14.9	62
DIVIDEND APPROPRIATIONS, COMMON STOCK	8.0	7.5	6.5	6.5	6.6	63

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

WARWICK VALLEY TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 1,349,308	$ 949,746	$ 386,831	$ 512,387	$ 657,021
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	1,022,180	1,036,775	898,893	761,365	652,269
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	200,002	293,149	284,979	376,728	115,567
4	INTEREST CAPITALIZED	10,612-	24,255-	-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	2,560,878	2,255,415	1,570,703	1,650,480	1,424,857
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	2,560,878	2,255,415	1,570,703	1,650,480	1,424,857
10	LESS DIVIDENDS: PREFERRED	25,000	25,000	25,000	25,000	25,000
11	COMMON	466,362	383,453	310,908	299,637	280,000
12	NET FUNDS FROM INTERNAL SOURCES	2,069,516	1,846,962	1,234,795	1,325,843	1,119,857
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	1,870,400	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	50,000	-	3,046,000	1,569,000	126,000
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	50,000	-	4,916,400	1,569,000	126,000
20	OTHER SOURCES (NET)	1,273,484	239,284	-	948,937	1,611,324
21						
22						
23	TOTAL FUNDS PROVIDED	$ 3,393,000	$ 2,086,246	$ 6,151,195	$ 3,843,780	$ 2,857,181
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 3,073,812	$ 1,980,901	$ 884,461	$ 3,480,180	$ 2,724,581
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	3,073,812	1,980,901	884,461	3,480,180	2,724,581
28	LESS INTEREST CAPITALIZED	10,612	24,255	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	3,063,200	1,956,646	884,461	3,480,180	2,724,581
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	329,800	129,600	-	363,600	132,600
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	329,800	129,600	-	363,600	132,600
37	OTHER USES (NET)	-	-	5,266,734	-	-
38						
39						
40	TOTAL FUNDS APPLIED	$ 3,393,000	$ 2,086,246	$ 6,151,195	$ 3,843,780	$ 2,857,181

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

WARWICK VALLEY TELEPHONE COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 2,306,205	$ 2,166,814	$ 1,778,558	$ 1,597,251	$ 1,505,651	1
ACCESS REVENUES	3,189,193					2
TOLL REVENUES	1,710,466	5,108,618	4,463,789	4,115,717	3,973,706	3
MISCELLANEOUS REVENUES	1,206,598	415,824	335,120	279,335	280,929	4
UNCOLLECTIBLE REVENUES-DR	36,000	36,000	38,000	27,000	36,000	5
TOTAL TELEPHONE OPERATING REVENUE	$ 8,356,461	$ 7,655,256	$ 6,541,487	$ 5,985,303	$ 5,724,286	6
TELEPHONE ACCESS LINES IN SERVICE	14,382	13,696	13,094	12,859	12,380	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 164 27	$ 161 78	$ 137 06	$ 128 67	$ 124 27	8
ACCESS REVENUE	225 74					9
TOLL REVENUE	121 84	381 38	343 99	328 40	327 99	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 1,387,093	$ 1,382,040	$ 1,415,198	$ 1,380,012	$ 1,238,825	11
DEPRECIATION + AMORTIZATION EXPENSES	1,012,495	1,026,951	890,835	758,790	649,551	12
TRAFFIC EXPENSES	440,163	438,968	411,233	376,720	331,054	13
COMMERCIAL EXPENSES	511,066	468,944	420,639	433,346	379,826	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	785,084	694,696	683,649	701,573	677,159	16
OTHER OPERATING EXPENSES	520,614	524,292	446,714	363,233	350,128	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 4,656,505	$ 4,535,891	$ 4,268,268	$ 4,013,874	$ 3,624,543	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 15,412,094	$ 14,973,785	$ 14,428,257	$ 14,056,926	$ 12,572,228	19
PLANT UNDER CONSTRUCTION	2,339,735	138,974	19,029	63,146	1,288,818	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-		22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	17,751,829	15,112,759	14,447,286	14,120,072	13,861,046	24
ACCUMULATED PROVISION FOR DEPR+AMORT	5,663,910	4,779,094	4,076,694	3,414,349	3,472,060	25
NET TELEPHONE PLANT	$ 12,087,919	$ 10,333,665	$ 10,370,592	$ 10,705,423	$ 10,388,986	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 14,973,785	$ 14,428,257	$ 14,056,926	$ 12,572,228	$ 11,748,257	27
ADDITIONS	552,437	1,053,273	628,759	2,538,968	1,073,210	28
RETIREMENTS	183,661	604,132	344,748	1,087,327	250,658	29
TRANSFERS AND ADJUSTMENTS	69,533	96,387	87,320	13,057	1,419	30
PLANT IN SERVICE END OF YEAR	$ 15,412,094	$ 14,973,785	$ 14,428,257	$ 14,056,926	$ 12,572,228	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

WARWICK VALLEY TELEPHONE COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 8,356,481	$ 7,655,256	$ 6,541,468	$ 5,965,303	$ 5,724,287
2	ACCESS LINES (AVERAGE*)	14,039	13,395	12,977	12,610	12,116
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 2,750,854	$ 2,659,383	$ 2,418,062	$ 2,279,185	$ 2,039,030
4	OTHER OPERATION AND MAINTENANCE EXPENSES	893,156	849,557	959,371	975,699	935,962
5	DEPRECIATION AND AMORTIZATION EXPENSES	1,012,495	1,028,951	890,835	758,790	649,551
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	1,075,592	825,298	525,892	274,706	408,026
8	OTHER TAXES - OPERATING	928,589	900,459	822,887	675,882	632,768
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	445,531	457,925	547,823	564,433	429,270
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	24,841	25,000	25,000	21,775	25,000
11	EARNINGS AVAILABLE FOR COMMON EQUITY	1,225,403	910,683	351,598	414,833	604,680
12	TOTAL	$ 8,356,481	$ 7,655,256	$ 6,541,468	$ 5,965,303	$ 5,724,287
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	32.9	34.7	37.0	38.2	35.6
14	OTHER OPERATION AND MAINTENANCE EXPENSES	10.7	11.1	14.7	16.4	16.4
15	DEPRECIATION AND AMORTIZATION EXPENSES	12.1	13.4	13.6	12.7	11.3
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	12.9	10.8	8.0	4.6	7.1
18	OTHER TAXES - OPERATING	11.1	11.8	12.6	11.3	11.1
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.3	6.0	8.4	9.5	7.5
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.3	0.3	0.4	0.4	0.4
21	EARNINGS AVAILABLE FOR COMMON EQUITY	14.7	11.9	5.4	7.0	10.6
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 16.33	$ 16.54	$ 15.53	$ 15.06	$ 14.02
24	OTHER OPERATION AND MAINTENANCE EXPENSES	5.30	5.29	6.16	6.45	6.44
25	DEPRECIATION AND AMORTIZATION EXPENSES	6.01	6.39	5.72	5.01	4.47
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	6.38	5.13	3.38	1.82	2.81
28	OTHER TAXES - OPERATING	5.51	5.60	5.28	4.47	4.35
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.64	2.85	3.52	3.73	2.95
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.15	0.16	0.16	0.14	0.17
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.27	5.67	2.26	2.74	4.16
32	TOTAL	$ 49.60	$ 47.63	$ 42.01	$ 39.42	$ 39.37

* YEAR END AVERAGE

SECTION IV.

WATER SERVICE COMPANIES

Balance Sheets

Income Statements

Statements of Changes in Financial Position

Statements of Revenue, Plant, and Operation and Maintenance

Distribution of Water Revenues

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CITIZENS WATER-SUPPLY COMPANY OF NEWTOWN, THE

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 6,731,282	$ 6,473,329	$ 5,550,283	$ 5,082,132	$ 4,931,355
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	2,004,368	1,884,314	1,793,007	1,735,073	1,677,174
3	NET WATER PLANT	4,726,914	4,589,015	3,757,256	3,347,059	3,254,181
4	OTHER PHYSICAL PROPERTY	2,550	2,550	2,550	2,550	2,550
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	2,550	2,550	2,550	2,550	2,550
8	CASH AND WORKING FUNDS	108,670	38,087	74,381	472,467	239,206
9	SPECIAL DEPOSITS	4,541	4,541	4,541	3,925	3,625
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	302,117	376,647	303,823	304,762	245,066
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	300,000	420	-
13	MATERIALS AND SUPPLIES	22,139	22,756	29,215	24,217	25,024
14	PREPAYMENTS	55,864	51,320	49,207	44,821	29,319
15	OTHER CURRENT AND ACCRUED ASSETS	477,587	380,142	386,782	345,747	272,700
16	TOTAL CURRENT AND ACCRUED ASSETS	970,918	851,493	1,147,929	1,196,359	814,940
17	UNAMORTIZED DEBT EXPENSE	-	-	-	-	-
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	68,739	13,348	11,233	10,253	21,086
20	CLEARING ACCOUNTS	22,774	1,940	3,837-	9,311	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	10,456	9,581	9,581	-
22	OTHER DEFERRED DEBITS	301,029	303,060	315,393	295,327	165,933
23	TOTAL DEFERRED DEBITS	392,542	328,804	332,370	324,472	187,019
24	TOTAL ASSETS AND OTHER DEBITS	$ 6,092,924	$ 5,771,862	$ 5,240,105	$ 4,870,440	$ 4,258,690
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 735,000	$ 735,000	$ 735,000	$ 735,000	$ 735,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	1,143,328	1,143,328	1,143,328	1,143,328	1,143,328
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	3,128,317	2,872,095	2,605,404	2,252,895	1,936,567
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	5,006,645	4,750,423	4,483,732	4,131,223	3,814,895
36	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	-	-	-	-	-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	-	-	-	-	-
41	NOTES AND ACCOUNTS PAYABLE	260,843	275,669	102,018	100,568	70,105
42	PAYABLES TO ASSOCIATED COMPANIES	7,958	39,922	7,527	7,142	-
43	CUSTOMERS' DEPOSITS	93,506	68,973	77,200	80,046	102,184
44	TAXES ACCRUED	31,228	9,224	30,970	78,775	98,250
45	OTHER CURRENT AND ACCRUED LIABILITIES	122,905	128,917	143,007	155,829	115,126
46	TOTAL CURRENT AND ACCRUED LIABILITIES	516,440	520,705	360,722	422,360	189,165
47	CUSTOMER ADVANCES FOR CONSTRUCTION	25,462	30,382	54,500	54,500	32,465
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	241,993	229,128	125,769	79,733	56,546
49	OTHER DEFERRED CREDITS	-	68	-	-	-
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	168,715	101,681	70,111	46,590	28,864
52	OTHER	133,669	139,475	145,271	138,034	136,755
53	TOTAL DEFERRED CREDITS	569,839	500,734	395,651	318,857	254,630
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 6,092,924	$ 5,771,862	$ 5,240,105	$ 4,870,440	$ 4,258,690
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	WATER PLANT PER DOLLAR OF REVENUE	1.81	1.78	1.59	1.63	1.82
57	CURRENT ASSETS / CURRENT LIABILITIES	1.88	1.64	3.18	2.83	4.31
	PERCENT OF CAPITALIZATION:					
58	LONG-TERM DEBT	-	-	-	-	-
59	PREFERRED STOCK	-	-	-	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	37.5	39.5	41.8	45.4	49.2
61	RETAINED EARNINGS	62.4	60.4	58.1	54.5	50.7
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	-	-	-	-	-
63	PERCENT OF NET WATER PLANT	-	-	-	-	-
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	29.7	29.1	32.3	34.1	34.0

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CITIZENS WATER-SUPPLY COMPANY OF NEWTOWN, THE

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING INCOME						
OPERATING REVENUES $	3,639,793 $	3,381,683 $	3,353,320 $	3,069,763 $	2,662,732	1
OPERATION AND MAINTENANCE EXPENSES	1,668,576	1,528,716	1,409,762	1,328,515	1,252,487	2
DEPRECIATION	143,022	127,533	93,833	87,319	85,094	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	1,162,677	1,068,169	1,040,174	886,680	839,785	5
INCOME TAXES	173,471	188,329	247,298	218,254	107,528	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	3,147,746	2,912,747	2,791,067	2,520,768	2,284,894	9
NET OPERATING REVENUES	492,047	468,936	562,253	548,995	377,838	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	492,047	468,936	562,253	548,995	377,838	12
OTHER INCOME						
INCOME FROM MDSE, JOBBING+CONTRACT WORK	819	2,429	677	1,253	1,478	13
INCOME FROM NONUTILITY OPERATIONS	-	-		-		14
NONOPERATING RENTAL INCOME	-	-		-		15
INTEREST AND DIVIDEND INCOME		-	-	-	280	16
ALLOWANCE FOR CONSTRUCTION FUNDS	-	203	3,966	69	132	17
MISCELLANEOUS NONOPERATING INCOME	1,839	28	328	251	9	18
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	19
TOTAL OTHER INCOME	2,658	2,660	4,971	1,573	1,899	20
TOTAL INCOME	494,705	471,596	567,224	550,568	379,737	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS	-	3,163	197	175	284	24
TAXES OTHER THAN INC TAXES NONOPERATING	-	-	-	-	-	25
INCOME TAXES-NONOPERATING	5,832-	4,511-	3,321-	1,530	4,713-	26
TOTAL OTHER INCOME DEDUCTIONS	5,832-	1,348-	3,124-	1,705	4,429-	27
INCOME BEFORE INTEREST CHARGES	500,537	472,944	570,348	548,863	384,166	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	-	-		-	-	29
AMORT OF DEBT DISCOUNT EXPENSE	-	-	-	-	-	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	235,490	214,846	208,909	237,596	201,046	32
OTHER INTEREST CHARGES	8,825	8,593-	8,930	5,061-	17,271	33
TOTAL INTEREST CHARGES	244,315	206,253	217,839	232,535	218,317	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS	-	-	-	-	-	37
NET EXTRAORDINARY ITEMS	-	-	-	-	-	38
NET INCOME $	256,222 $	266,691 $	352,509 $	316,328 $	165,849	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR$	2,872,095 $	2,605,404 $	2,252,895 $	1,936,567 $	1,770,718	40
BALANCE TRANSFERRED FROM INCOME	256,222	266,691	352,509	316,328	165,849	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-			43
-COMMON STOCK	-	-	-			44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-			45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	3,128,317	2,872,095	2,605,404	2,252,895	1,936,567	46
APPROPRIATED RETAINED EARNINGS	-	-	-		-	47
TOTAL RETAINED EARNINGS, END OF YEAR $	3,128,317 $	2,872,095 $	2,605,404 $	2,252,895 $	1,936,567	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	LINE NO
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	45.8	45.2	42.0	43.2	47.0	49
DEPRECIATION AND AMORTIZATION	3.9	3.7	2.7	2.8	3.1	50
INCOME TAXES	4.7	5.5	7.3	7.1	4.0	51
OTHER TAXES	31.9	31.5	31.0	28.9	31.5	52
TOTAL OPERATING EXPENSES	86.4	86.1	83.2	82.1	85.8	53
OPERATING INCOME	13.5	13.8	16.7	17.8	14.1	54
DEPRECIATION + AMORT % OF WATER PLANT	2.1	1.9	1.6	1.7	1.7	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	6.7	6.1	6.5	7.6	8.2	56
PRETAX INTEREST COVERAGE	2.7	3.2	3.7	3.3	2.2	57
NET INCOME - % OF OPERATING REVENUES	7.0	7.8	10.5	10.3	6.2	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES		-	-	-	-	59
TIMES EARNED	-	-	-	-	-	60
DIVIDEND APPROPRIATIONS,COMMON STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	61
PERCENT OF EARNINGS AVAILABLE FOR-COMMON	-	-	-	-	-	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	5.2	5.7	8.1	7.9	4.4	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	64

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MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CITIZENS WATER-SUPPLY COMPANY OF NEWTOWN, THE

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 256,222	$ 266,691	$ 352,509	$ 316,328	$ 165,849
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	272,818	238,134	182,402	152,366	139,718
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	74,093	128,258	78,794	90,611	42,600
4	INTEREST CAPITALIZED		203-	3,966-	69-	132-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	603,133	632,880	609,739	559,236	348,035
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	603,133	632,880	609,739	559,236	348,035
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	603,133	632,880	609,739	559,236	348,035
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	5,580	23,500	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	5,580	23,500	-	-	-
20	OTHER SOURCES (NET)	1,684	456,419	757-	2,250	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 610,397	$ 1,112,799	$ 608,982	$ 561,486	$ 348,035
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 282,605	$ 949,873	$ 503,273	$ 182,447	$ 178,811
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	282,605	949,873	503,273	182,447	178,811
28	LESS INTEREST CAPITALIZED	-	203	3,966	69	132
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	282,605	949,670	499,307	182,378	178,679
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	-	-	-	-
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	5,303	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	-	-	5,303	-
37	OTHER USES (NET)	327,792	163,129	109,675	373,805	169,356
38						
39						
40	TOTAL FUNDS APPLIED	$ 610,397	$ 1,112,799	$ 608,982	$ 561,486	$ 348,035

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

CITIZENS WATER-SUPPLY COMPANY OF NEWTOWN, THE

ITEM	1985	1984	1983	1982	1981	LINE NO.
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 3,327,675 $	3,089,050 $	3,081,325 $	2,802,174 $	2,438,592	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-		2
SALES TO OTHER WATER COMPANIES	-	-	-	-		3
OTHER SALES OF WATER	311,033	291,573	270,452	266,156	222,928	4
TOTAL REVENUES FROM SALES OF WATER	3,638,708	3,380,623	3,351,777	3,068,330	2,661,520	5
OTHER WATER OPERATING REVENUES	1,085	1,060	1,543	1,343	1,212	6
TOTAL WATER OPERATING REVENUES	$ 3,639,793 $	3,381,683 $	3,353,320 $	3,069,673 $	2,662,732	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	1,399,192	1,407,021	1,490,591	1,416,544	1,479,400	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-		9
SALES TO OTHER WATER COMPANIES	-	-	-	-		10
OTHER SALES OF WATER	-	-	-	-		11
TOTAL SALES OF WATER	1,399,192	1,407,021	1,490,591	1,416,544	1,479,400	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	7,644	7,655	7,636	7,633	7,608	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-		14
SALES TO OTHER WATER COMPANIES	-	-	-	-		15
OTHER SALES OF WATER	81	77	78	72	72	16
TOTAL CUSTOMERS	7,725	7,732	7,714	7,705	7,680	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 435.33 $	403.53 $	403.52 $	367.11 $	320.52	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	183.04	183.80	195.20	185.58	194.45	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	237.83	219.55	206.72	197.82	164.84	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T GALLONS SOLD(CENTS)	-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 249,312 $	241,838 $	214,595 $	186,289 $	171,604	24
POWER AND PUMPING EXPENSES	453,799	403,698	377,830	348,363	355,031	25
PURIFICATION EXPENSES	28,866	20,643	28,019	49,753	35,518	26
TRANSMISSION AND DISTRIBUTION EXPENSES	240,181	210,543	194,350	186,096	170,316	27
CUSTOMERS ACCT G+COLLECTING EXPENSES	171,602	158,783	149,093	133,097	131,181	28
ADMINISTRATIVE+GENERAL EXPENSES	524,817	493,211	445,875	423,317	388,237	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 1,668,577 $	1,528,716 $	1,409,762 $	1,326,915 $	1,252,487	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 6,731,282 $	6,473,329 $	5,531,266 $	5,062,768 $	4,919,300	31
PLANT LEASED TO OTHERS			-	-	-	32
CONSTRUCTION WORK IN PROGRESS	-	-	18,997	19,364	12,055	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	35
OTHER PLANT ADJUSTMENTS		-			-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS		-	-	-		37
TOTAL WATER UTILITY PLANT	6,731,282	6,473,329	5,550,263	5,082,132	4,931,355	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION	2,004,368	1,884,314	1,793,007	1,735,073	1,677,174	39
NET WATER UTILITY PLANT	$ 4,726,914 $	4,589,015 $	3,757,256 $	3,347,059 $	3,254,181	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 6,473,329 $	5,531,266 $	5,062,768 $	4,919,300 $	4,755,524	41
ADDITIONS	282,605	982,286	507,082	176,926	178,811	42
RETIREMENTS	24,652	26,806	38,584	28,155	30,517	43
TRANSFERS AND ADJUSTMENTS	-	13,417-	-	5,303-	15,482	44
PLANT IN SERVICE END OF YEAR	$ 6,731,282 $	6,473,329 $	5,531,266 $	5,062,768 $	4,919,300	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

CITIZENS WATER-SUPPLY COMPANY OF NEWTOWN, THE

LINE NO	ITEM		1985		1984		1983		1982		1981
1	REVENUES	$	3,639,793	$	3,381,683	$	3,353,320	$	3,069,763	$	2,662,732
2	SALES (THOUSAND GALLONS)		1,399,192		1,407,021		1,490,591		1,416,544		1,479,400
							DOLLAR AMOUNTS				
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$	442,930	$	381,591	$	362,822	$	370,393	$	354,163
4	WAGES AND BENEFITS		621,604		646,711		618,461		76,743		531,091
5	OTHER OPERATION AND MAINTENANCE EXPENSES		604,043		500,414		428,479		878,779		367,233
6	DEPRECIATION AND AMORTIZATION EXPENSES		143,022		127,533		93,833		87,319		85,094
7	INCOME TAXES - OPERATING		173,471		188,329		247,238		218,254		107,528
8	OTHER TAXES - OPERATING		1,162,677		1,068,169		1,040,174		888,680		839,785
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		244,315		206,253		217,839		232,535		218,317
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
11	EARNINGS AVAILABLE FOR COMMON EQUITY		247,732		262,683		344,414		316,460		159,521
12	TOTAL	$	3,639,793	$	3,381,683	$	3,353,320	$	3,069,763	$	2,662,732
							PERCENT OF REVENUES				
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT		12.2		11.3		10.8		12.1		13.3
14	WAGES AND BENEFITS		17.1		19.1		18.4		2.5		19.9
15	OTHER OPERATION AND MAINTENANCE EXPENSES		16.6		14.8		12.8		28.6		13.8
16	DEPRECIATION AND AMORTIZATION EXPENSES		3.9		3.8		2.8		2.8		3.2
17	INCOME TAXES - OPERATING		4.8		5.6		7.4		7.1		4.0
18	OTHER TAXES - OPERATING		31.9		31.6		31.0		28.9		31.5
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		6.7		6.1		6.5		7.6		8.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
21	EARNINGS AVAILABLE FOR COMMON EQUITY		6.8		7.8		10.3		10.3		6.0
22	TOTAL		100.0		100.0		100.0		100.0		100.0
							CENTS PER THOUSAND GALLONS SOLD				
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT		31.66		27.12		24.34		26.15		23.94
24	WAGES AND BENEFITS		44.43		45.96		41.49		5.42		35.90
25	OTHER OPERATION AND MAINTENANCE EXPENSES		43.17		35.57		28.75		62.04		24.82
26	DEPRECIATION AND AMORTIZATION EXPENSES		10.22		9.06		6.30		6.16		5.75
27	INCOME TAXES - OPERATING		12.40		13.38		16.59		15.41		7.27
28	OTHER TAXES - OPERATING		83.10		75.92		69.78		62.74		56.77
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		17.46		14.66		14.61		16.42		14.76
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
31	EARNINGS AVAILABLE FOR COMMON EQUITY		17.71		18.67		23.11		22.34		10.78
32	TOTAL		260.14		240.34		224.97		216.71		179.99

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

COUNTRY KNOLLS WATER WORKS, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 2,792,498	$ 2,745,709	$ 2,687,172	$ 2,007,547	$ 1,975,609
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	384,301	345,293	313,404	259,444	229,767
3	NET WATER PLANT	2,408,197	2,400,416	2,373,768	1,748,103	1,745,842
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-	-	-	-	-
8	CASH AND WORKING FUNDS	84,126	89,059	157,555	66,004	63,949
9	SPECIAL DEPOSITS	-	-	-	-	-
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	241,452	237,395	191,924	166,255	142,396
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
13	MATERIALS AND SUPPLIES	-	-	175	175	175
14	PREPAYMENTS	53,885	47,291	53,689	66,173	46,021
15	OTHER CURRENT AND ACCRUED ASSETS	625	450	450	400	500
16	TOTAL CURRENT AND ACCRUED ASSETS	380,088	374,195	403,793	299,007	253,041
17	UNAMORTIZED DEBT EXPENSE	9,894	11,260	12,624	13,648	-
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	-	-	-
23	TOTAL DEFERRED DEBITS	9,894	11,260	12,624	13,648	-
24	TOTAL ASSETS AND OTHER DEBITS	$ 2,798,179	$ 2,785,871	$ 2,790,185	$ 2,060,758	$ 1,998,883
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	450,084	405,210	359,143	290,534	484,826-
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	470,084	425,210	379,143	310,534	464,826-
36	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
37	ADVANCES FROM ASSOCIATED COMPANIES	1,000,077	1,028,510	1,028,510	1,028,510	1,727,932
38	OTHER LONG TERM DEBT	772,500	738,190	786,940	620,690	-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	1,772,577	1,766,700	1,815,450	1,649,200	1,727,932
41	NOTES AND ACCOUNTS PAYABLE	16,094	36,205	12,401	8,828	11,932
42	PAYABLES TO ASSOCIATED COMPANIES	535,700	542,727	457,341	-	565,029
43	CUSTOMERS' DEPOSITS	-	-	-	-	-
44	TAXES ACCRUED	3,724	15,029	117,041	91,808	132,633
45	OTHER CURRENT AND ACCRUED LIABILITIES	-	-	8,809	388	26,183
46	TOTAL CURRENT AND ACCRUED LIABILITIES	555,518	593,961	595,592	101,024	735,777
47	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	-	-	-	-	-
49	OTHER DEFERRED CREDITS	-	-	-	-	-
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	-	-	-	-	-
52	OTHER	-	-	-	-	-
53	TOTAL DEFERRED CREDITS	-	-	-	-	-
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 2,798,179	$ 2,785,871	$ 2,790,185	$ 2,060,758	$ 1,998,883
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	WATER PLANT PER DOLLAR OF REVENUE	3.08	3.40	3.49	3.73	4.14
57	CURRENT ASSETS / CURRENT LIABILITIES	0.68	0.63	0.68	2.96	0.34
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	79.0	80.6	82.7	84.1	136.8
59	PREFERRED STOCK	-	-	-	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	0.8	0.9	0.9	1.0	1.5
61	RETAINED EARNINGS	20.0	18.4	16.3	14.8	38.2-
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	63.4	64.3	67.5	82.1	87.4
63	PERCENT OF NET WATER PLANT	73.6	73.5	76.4	94.3	98.9
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	13.7	12.5	11.6	12.9	11.6

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

COUNTRY KNOLLS WATER WORKS, INC

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING INCOME						
OPERATING REVENUES	$ 899,337 $	798,411 $	672,881 $	534,311 $	472,218	1
OPERATION AND MAINTENANCE EXPENSES	433,989	377,298	302,416	277,420	273,784	2
DEPRECIATION	39,008	31,889	30,477	29,678	28,649	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	150,737	-	142,834	130,208	112,279	5
INCOME TAXES	-	142,647	-	-	-	6
GAINS FROM DISP OF UTILITY PLANT						7
LOSSES FROM DISP OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	623,734	551,832	475,727	437,306	414,712	9
NET OPERATING REVENUES	275,603	246,579	197,154	97,005	57,506	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	275,603	246,579	197,154	97,005	57,506	12
OTHER INCOME						
INCOME FROM MDSE, JOBBING-CONTRACT WORK	-	-	-	-	-	13
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	14
NONOPERATING RENTAL INCOME	-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME	-	-	-	-	-	16
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	17
MISCELLANEOUS NONOPERATING INCOME	-	-	-	-	-	18
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	19
TOTAL OTHER INCOME	-	-	-	-	-	20
TOTAL INCOME	275,603	246,579	197,154	97,005	57,506	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-		22
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS	-	-	-	-	-	24
TAXES OTHER THAN INC TAXES-NONOPERATING	-	-	-	-	-	25
INCOME TAXES-NONOPERATING	-	-	-	-	-	26
TOTAL OTHER INCOME DEDUCTIONS	-	-	-	-	-	27
INCOME BEFORE INTEREST CHARGES	275,603	246,579	197,154	97,005	57,506	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	98,381	108,848	90,749	-	-	29
AMORT OF DEBT DISCOUNT EXPENSE	1,365	1,365	1,024	-	-	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	127,890	13,676	13,676	13,676	295,905	32
OTHER INTEREST CHARGES	3,093	76,623	-	19,233	18,700	33
TOTAL INTEREST CHARGES	230,729	200,512	105,449	32,909	314,605	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	711,264	-	35
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS	-	-	-	-	-	37
NET EXTRAORDINARY ITEMS	-	-	-	711,264	-	38
NET INCOME	$ 44,874 $	46,067 $	91,705 $	775,360 $	257,099-	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 405,210 $	359,143 $	290,534 $	484,826-$	227,727-	40
BALANCE TRANSFERRED FROM INCOME	44,874	46,067	91,705	775,360	257,099-	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	43
-COMMON STOCK	-	-	-	-	-	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	23,096-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	450,084	405,210	359,143	290,534	484,826-	46
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 450,084 $	405,210 $	359,143 $	290,534 $	484,826-	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	LINE NO
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	48 2	47 2	44 9	51 9	57 9	49
DEPRECIATION AND AMORTIZATION	4 3	3 9	4 5	5 5	6 0	50
INCOME TAXES	-	17 8	-	-	-	51
OTHER TAXES	16 7	-	21 2	24 3	23 7	52
TOTAL OPERATING EXPENSES	69 3	69 1	70 7	81 8	87 8	53
OPERATING INCOME	30 6	30 8	29 2	18 1	12 1	54
DEPRECIATION + AMORT % OF WATER PLANT	1 3	1 1	1 1	1 4	1 4	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	25 7	25 1	15 7	6 2	66 6	56
PRETAX INTEREST COVERAGE	1.2	1 9	1 9	2 9	0 2	57
NET INCOME - % OF OPERATING REVENUES	4 9	5 7	13 6	145 1	-	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	59
TIMES EARNED	-	-	-	-	-	60
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	61
PERCENT OF EARNINGS AVAILABLE FOR COMMON	-	-	-	-	-	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	10.0	11 4	26 5	-	-	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

COUNTRY KNOLLS WATER WORKS, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 44,874	$ 46,067	$ 91,705	$ 64,096	$ 257,099-
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	40,374	33,253	31,501	29,678	28,649
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	-	-	-	-	-
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	85,248	79,320	123,206	93,774	228,450-
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	85,248	79,320	123,206	93,774	228,450-
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	85,248	79,320	123,206	93,774	228,450-
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	5,877	-	166,250	607,042	
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	85,386	457,341	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	5,877	85,386	623,591	607,042	-
20	OTHER SOURCES (NET)	-	-	-	-	273,093
21						
22						
23	TOTAL FUNDS PROVIDED	$ 91,125	$ 164,706	$ 746,797	$ 700,816	$ 44,643
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 46,789	$ 58,537	$ 679,625	$ 31,938	$ 44,643
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	46,789	58,537	679,625	31,938	44,643
28	LESS INTEREST CAPITALIZED	-	-	-	-	
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	46,789	58,537	679,625	31,938	44,643
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	48,750	-	-	
31	PREFERRED STOCK	-	-	-	-	
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	553,188	
34	OTHER (NET)	-	-	-	-	
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	48,750	-	553,188	
37	OTHER USES (NET)	44,336	57,419	67,172	115,690	
38						
39						
40	TOTAL FUNDS APPLIED	$ 91,125	$ 164,706	$ 746,797	$ 700,816	$ 44,643

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

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COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

COUNTRY KNOLLS WATER WORKS, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 856,175	$ 776,145	$ 643,650	$ 510,179	$ 443,451	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	38,928	21,732	28,126	23,136	28,286	4
TOTAL REVENUES FROM SALES OF WATER	895,103	797,877	671,776	533,315	471,737	5
OTHER WATER OPERATING REVENUES	4,234	534	1,105	996	480	6
TOTAL WATER OPERATING REVENUES	$ 899,337	$ 798,411	$ 672,881	$ 534,311	$ 472,217	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	341,988	308,621	271,714	283,010	278,820	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	341,988	308,621	271,714	283,010	278,820	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	4,071	3,628	3,365	3,275	3,227	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	-	-	-	-	-	16
TOTAL CUSTOMERS	4,071	3,628	3,365	3,275	3,227	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG ANNUAL BILL PER CUSTOMER	$ 210.31	$ 213.93	$ 191.27	$ 155.77	$ 137.41	18
AVG CONSUMPTION PER CUSTOMER (T. GAL)	84.00	84.51	80.74	86.41	86.40	19
AVG REVENUE PER T. GALLONS SOLD (CENTS)	250.37	253.13	236.89	180.27	159.05	20
UNMETERED GENERAL CUSTOMERS						
AVG ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG REVENUE PER T GALLONS SOLD(CENTS)	-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 37,742	$ 16,919	$ 12,252	$ 10,109	$ 15,710	24
POWER AND PUMPING EXPENSES	110,896	106,844	100,988	110,588	108,871	25
PURIFICATION EXPENSES	22,813	22,923	15,690	14,309	13,506	26
TRANSMISSION AND DISTRIBUTION EXPENSES	89,502	64,851	46,325	41,728	46,147	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	41,063	29,950	36,167	27,314	24,682	28
ADMINISTRATIVE+GENERAL EXPENSES	131,974	135,809	90,994	73,372	64,868	29
TOTAL WATER OPERATION+MAINT EXPENSES	$ 433,989	$ 377,296	$ 302,416	$ 277,420	$ 273,784	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 2,778,350	$ 2,731,560	$ 2,656,317	$ 1,977,692	$ 1,927,538	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	14,148	14,149	30,855	29,855	48,071	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	2,792,498	2,745,709	2,687,172	2,007,547	1,975,609	38
ACCUM PROV FOR DEPR AMORT, DEPLETION	384,301	345,293	313,404	259,444	229,767	39
NET WATER UTILITY PLANT	$ 2,408,197	$ 2,400,416	$ 2,373,768	$ 1,748,103	$ 1,745,842	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,731,558	$ 2,656,317	$ 1,977,692	$ 1,927,538	$ 1,883,687	41
ADDITIONS	46,791	75,243	678,625	50,154	43,851	42
RETIREMENTS	-	-	-	-	-	43
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 2,778,349	$ 2,731,560	$ 2,656,317	$ 1,977,692	$ 1,927,538	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

COUNTRY KNOLLS WATER WORKS, INC

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 899,337	$ 798,411	$ 672,881	$ 534,311	$ 472,218
2	SALES (THOUSAND GALLONS)	341,988	306,621	271,714	283,010	278,820
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 84,430	$ 86,560	$ 84,657	$ 95,152	$ 92,783
4	WAGES AND BENEFITS	179,272	149,496	111,184	97,659	93,305
5	OTHER OPERATION AND MAINTENANCE EXPENSES	170,287	141,240	106,575	84,609	87,696
6	DEPRECIATION AND AMORTIZATION EXPENSES	39,008	31,889	30,477	29,678	28,649
7	INCOME TAXES - OPERATING	-	142,647	-	-	-
8	OTHER TAXES - OPERATING	150,737	-	142,834	130,208	112,279
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	230,729	200,512	105,449	32,909	314,605
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	44,874	46,067	91,706	64,096	257,099-
12	TOTAL	$ 899,337	$ 798,411	$ 672,881	$ 534,311	$ 472,218
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	9.4	10.8	12.6	17.8	19.6
14	WAGES AND BENEFITS	19.9	18.7	16.5	18.3	19.8
15	OTHER OPERATION AND MAINTENANCE EXPENSES	18.9	17.7	15.8	15.8	18.6
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.3	4.0	4.5	5.6	6.1
17	INCOME TAXES - OPERATING	-	17.9	-	-	-
18	OTHER TAXES - OPERATING	16.8	-	21.2	24.4	23.8
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	25.7	25.1	15.7	6.2	66.6
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	5.0	5.8	13.6	12.0	54.3-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	24.69	28.23	31.16	33.62	33.28
24	WAGES AND BENEFITS	52.42	48.76	40.92	34.51	33.46
25	OTHER OPERATION AND MAINTENANCE EXPENSES	49.80	46.06	39.22	29.90	31.45
26	DEPRECIATION AND AMORTIZATION EXPENSES	11.41	10.40	11.22	10.49	10.28
27	INCOME TAXES - OPERATING	-	46.52	-	-	-
28	OTHER TAXES - OPERATING	44.08	-	52.57	46.01	40.27
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	67.47	65.39	38.81	11.63	112.83
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	13.12	15.02	33.75	22.65	92.20-
32	TOTAL	262.99	260.39	247.64	188.80	169.36

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

FISHER ISLAND WATER WORKS CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 752,065	$ 732,861	$ 698,400	$ 679,419	$ 657,103
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	392,771	383,248	377,640	369,778	362,557
3	NET WATER PLANT	359,294	349,613	320,759	309,641	294,546
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-	-	-	-	-
8	CASH AND WORKING FUNDS	17,475	17,569	43,716	33,416	32,858
9	SPECIAL DEPOSITS	-	-	-	-	-
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	17,080	14,527	16,422	18,670	14,026
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
13	MATERIALS AND SUPPLIES	6,370	6,880	8,861	12,517	7,791
14	PREPAYMENTS	-	2,018	558	1,581	3,304
15	OTHER CURRENT AND ACCRUED ASSETS	51,183	29,721	27,519	30,118	50,000
16	TOTAL CURRENT AND ACCRUED ASSETS	92,078	70,697	97,077	98,302	107,979
17	UNAMORTIZED DEBT EXPENSE	-	-	-	-	-
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	2,757	5,661	7,990	8,962	11,033
23	TOTAL DEFERRED DEBITS	2,757	5,661	7,990	8,962	11,033
24	TOTAL ASSETS AND OTHER DEBITS	$ 454,130	$ 425,963	$ 425,828	$ 414,905	$ 413,558
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	247,240	247,240	247,240	247,241	247,240
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	88,779	58,158	57,098	40,264	41,542
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	356,020	325,397	324,338	307,505	308,783
36	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	84,605	88,334	91,564	94,426	96,330
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	84,605	88,334	91,564	94,426	96,330
41	NOTES AND ACCOUNTS PAYABLE	4,173	5,094	2,348	8,178	3,251
42	PAYABLES TO ASSOCIATED COMPANIES	1,775	1,598	2,053	1,818	1,393
43	CUSTOMERS' DEPOSITS	30	4,981	20	40	30
44	TAXES ACCRUED	4,290	-	5,498	2,266	2,078
45	OTHER CURRENT AND ACCRUED LIABILITIES	388	557	5	673	1,288
46	TOTAL CURRENT AND ACCRUED LIABILITIES	10,656	12,230	9,925	12,975	7,847
47	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	-	-	-	-	-
49	OTHER DEFERRED CREDITS	-	-	-	-	-
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	2,847	-	-	-	-
51	LIBERALIZED DEPRECIATION	-	-	-	-	-
52	OTHER	-	-	-	-	-
53	TOTAL DEFERRED CREDITS	2,847	-	-	-	-
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 454,130	$ 425,963	$ 425,828	$ 414,905	$ 413,558
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	WATER PLANT PER DOLLAR OF REVENUE	3.43	4.14	3.88	4.55	-
57	CURRENT ASSETS / CURRENT LIABILITIES	8.64	5.78	9.68	7.42	13.77
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	19.2	21.3	22.0	23.4	23.8
59	PREFERRED STOCK	-	-	-	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	60.6	64.5	64.2	66.4	65.8
61	RETAINED EARNINGS	20.1	14.0	13.7	10.0	10.2
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	11.2	12.0	13.1	13.8	14.7
63	PERCENT OF NET WATER PLANT	23.5	25.2	28.5	30.4	32.9
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	52.2	52.2	54.0	54.4	55.1

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

FISHER ISLAND WATER WORKS CORPORATION

ITEM		1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT							
WATER OPERATING INCOME							
OPERATING REVENUES	$	216,684 $	172,671 $	177,558 $	146,891 $	145,215	1
OPERATION AND MAINTENANCE EXPENSES		137,518	127,860	118,793	115,320	107,082	2
DEPRECIATION		9,523	8,461	7,862	7,220	6,972	3
AMORTIZATION		-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES		28,781	25,516	23,716	19,709	19,845	5
INCOME TAXES		-	-	-	-	894	6
GAINS FROM DISP. OF UTILITY PLANT							7
LOSSES FROM DISP. OF UTILITY PLANT							8
TOTAL OPERATING EXPENSES		175,824	161,838	150,372	142,250	134,773	9
NET OPERATING REVENUES		40,859	10,832	27,185	4,640	10,442	10
INCOME FROM PLANT LEASED TO OTHERS		-	-	-	-	-	11
TOTAL WATER OPERATING INCOME		40,859	10,832	27,185	4,640	10,442	12
OTHER INCOME							
INCOME FROM MDSE, JOBBING-CONTRACT WORK		-	-		-	-	13
INCOME FROM NONUTILITY OPERATIONS		-	-		-	-	14
NONOPERATING RENTAL INCOME		-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME		1,894	2,609	3,155	6,351	11,104	16
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	-	-	-	17
MISCELLANEOUS NONOPERATING INCOME		5,259	-		42	-	18
GAIN ON DISPOSITION OF PROPERTY		-	-	-	-	-	19
TOTAL OTHER INCOME		7,154	2,609	3,155	6,393	11,104	20
TOTAL INCOME		48,013	13,441	30,340	11,033	21,546	21
OTHER INCOME DEDUCTIONS							
LOSS ON DISPOSITION OF PROPERTY		-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION		-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS		-	-	-	-	-	24
TAXES OTHER THAN INC TAXES-NONOPERATING		-	-	-	-	-	25
INCOME TAXES-NONOPERATING		5,379	-	1,387	-	-	26
TOTAL OTHER INCOME DEDUCTIONS		5,379	-	1,387	-	-	27
INCOME BEFORE INTEREST CHARGES		42,634	13,441	28,953	11,033	21,546	28
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		11,651	12,151	12,518	12,304	13,183	29
AMORT OF DEBT DISCOUNT EXPENSE		-	-	-	-	-	30
AMORT OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES		432	231	467	-	389	32
OTHER INTEREST CHARGES		-	1	3	8	4	33
TOTAL INTEREST CHARGES		12,084	12,383	12,990	12,312	13,577	34
EXTRAORDINARY ITEMS							
EXTRAORDINARY INCOME		-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS		-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS		-	-	-	-	-	37
NET EXTRAORDINARY ITEMS		-	-	-	-	-	38
NET INCOME	$	30,550 $	1,058 $	15,964 $	1,279-$	7,968	39
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$	58,156 $	57,098 $	40,263 $	41,542 $	33,574	40
BALANCE TRANSFERRED FROM INCOME		30,550	1,058	15,964	1,279-	7,968	41
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK		-	-	-	-	-	43
-COMMON STOCK		-	-	-	-	-	44
ADJUSTMENTS TO RETAINED EARNINGS		72	-	870	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR		88,779	58,156	57,098	40,263	41,542	46
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$	88,779 $	58,156 $	57,098 $	40,263 $	41,542	48
SELECTED INCOME ACCOUNT RELATIONSHIPS							
PERCENT OF WATER OPERATING REVENUES							
OPERATION AND MAINTENANCE EXPENSES		63.4	74.0	66.9	78.5	73.7	49
DEPRECIATION AND AMORTIZATION		4.3	4.9	4.4	4.9	4.8	50
INCOME TAXES		-	-	-	-	0.6	51
OTHER TAXES		13.2	14.7	13.3	13.4	13.6	52
TOTAL OPERATING EXPENSES		81.1	93.7	84.6	96.8	92.8	53
OPERATING INCOME		18.8	6.2	15.3	3.1	7.1	54
DEPRECIATION + AMORT % OF WATER PLANT		1.2	1.1	1.1	1.0	1.0	55
INTEREST EXPENSE							
PERCENT OF OPERATING REVENUES		5.6	7.2	7.3	8.4	9.3	56
PRETAX INTEREST COVERAGE		4.0	1.1	2.3	0.9	1.7	57
NET INCOME - % OF OPERATING REVENUES		14.0	0.6	8.9	0.8-	5.4	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK							
PERCENT OF OPERATING REVENUES		-	-	-	-	-	59
TIMES EARNED		-	-	-	-	-	60
DIVIDEND APPROPRIATIONS, COMMON STOCK							
PERCENT OF OPERATING REVENUES		-	-	-	-	-	61
PERCENT OF EARNINGS AVAILABLE FOR COMMON		-	-	-	-	-	62
PERCENT OF AVERAGE COMMON EQUITY							
EARNINGS AVAILABLE FOR COMMON EQUITY		8.9	0.3	5.0	-	-	63
DIVIDEND APPROPRIATIONS, COMMON STOCK		-	-	-	-	-	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

FISHER ISLAND WATER WORKS CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 30,550	$ 1,058	$ 15,964	$ 1,278-	$ 7,968
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	13,872	10,529	9,930	9,288	9,040
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	2,847	-	-	-	-
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	47,271	11,587	25,895	8,010	17,008
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	47,271	11,587	25,895	-8,010	17,008
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	47,271	11,587	25,895	8,010	17,008
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	27,556	16,000	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	27,556	16,000	-	-
20	OTHER SOURCES (NET)	-	1,832	-	17,279	27,371
21						
22						
23	TOTAL FUNDS PROVIDED	$ 47,271	$ 40,975	$ 41,895	$ 25,289	$ 44,379
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 19,208	$ 37,315	$ 18,980	$ 22,315	$ 40,888
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	19,208	37,315	18,980	22,315	40,888
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	19,208	37,315	18,980	22,315	40,888
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	4,275	3,660	3,226	2,973	2,422
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	2,208	-	19,688	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	6,483	3,660	22,914	2,973	2,422
37	OTHER USES (NET)	21,582	-	-	-	1,069
38						
39						
40	TOTAL FUNDS APPLIED	$ 47,271	$ 40,975	$ 41,895	$ 25,289	$ 44,379

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

FISHER ISLAND WATER WORKS CORPORATION

WATER OPERATING REVENUES

ITEM	1985	1984	1983	1982	1981	LINE NO
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 199,168	$ 155,903	$ 157,928	$ 133,628	$ 132,104	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	17,520	16,768	19,631	13,263	13,111	4
TOTAL REVENUES FROM SALES OF WATER	216,688	172,671	177,559	146,891	145,215	5
OTHER WATER OPERATING REVENUES	-	-	-	-	-	6
TOTAL WATER OPERATING REVENUES	$ 216,688	$ 172,671	$ 177,559	$ 146,891	$ 145,215	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	28,466	28,662	30,149	28,149	33,844	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	248	281	275	284	284	11
TOTAL SALES OF WATER	28,714	28,943	30,424	28,433	34,128	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	495	495	514	514	504	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	10	10	12	12	12	16
TOTAL CUSTOMERS	505	505	526	526	516	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 402.38	$ 314.95	$ 307.24	$ 259.97	$ 262.11	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	53.46	53.86	58.65	54.76	67.15	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	752.53	584.74	523.82	474.72	390.33	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-				21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-				22
AVG. REVENUE PER T GALLONS SOLD(CENTS)	-	-				23

WATER OPERATION AND MAINTENANCE EXPENSES

ITEM	1985	1984	1983	1982	1981	LINE NO
SOURCE OF SUPPLY EXPENSES	$ 14,093	$ 12,234	$ 9,791	$ 9,321	$ 10,648	24
POWER AND PUMPING EXPENSES	14,091	12,781	17,564	16,341	16,574	25
PURIFICATION EXPENSES	41,304	41,509	35,863	30,472	32,213	26
TRANSMISSION AND DISTRIBUTION EXPENSES	7,930	7,003	5,538	6,278	8,339	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	7,503	6,391	7,009	3,101	2,332	28
ADMINISTRATIVE+GENERAL EXPENSES	52,598	47,360	41,076	41,953	37,356	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 137,519	$ 127,981	$ 114,793	$ 116,325	$ 107,263	30

WATER UTILITY PLANT

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 752,065	$ 732,860	$ 698,399	$ 679,419	$ 657,103	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	-	-	-	-	-	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	752,065	732,860	698,399	679,419	657,103	38
ACCUM PROV FOR DEPR. AMORT., DEPLETION	392,770	383,248	377,640	369,777	362,557	39
NET WATER UTILITY PLANT	$ 359,294	$ 349,613	$ 320,759	$ 309,641	$ 294,546	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 732,860	$ 698,399	$ 679,419	$ 657,103	$ 616,215	41
ADDITIONS	19,204	37,315	18,980	22,316	40,887	42
RETIREMENTS	-	2,854	-	-	-	43
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 752,065	$ 732,860	$ 698,399	$ 679,419	$ 657,103	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

FISHER ISLAND WATER WORKS CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 216,684	$ 172,671	$ 177,558	$ 146,891	$ 145,215
2	SALES (THOUSAND GALLONS)	26,714	26,943	30,424	28,433	34,129
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 18,527	$ 19,561	$ 15,344	$ 15,352	$ 16,978
4	WAGES AND BENEFITS	11,439	12,769	9,676	51,376	43,337
5	OTHER OPERATION AND MAINTENANCE EXPENSES	107,553	95,531	93,773	48,592	46,748
6	DEPRECIATION AND AMORTIZATION EXPENSES	9,523	8,461	7,862	7,220	6,972
7	INCOME TAXES - OPERATING	-	-	-	-	894
8	OTHER TAXES - OPERATING	28,781	25,516	23,716	19,709	19,845
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	12,084	12,383	12,990	12,312	13,577
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	28,775	1,551-	14,195	7,672-	3,135-
12	TOTAL	$ 216,684	$ 172,671	$ 177,558	$ 146,891	$ 145,215
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	8.6	11.3	8.6	10.5	11.7
14	WAGES AND BENEFITS	5.3	7.4	5.4	35.0	29.8
15	OTHER OPERATION AND MAINTENANCE EXPENSES	49.6	55.3	52.8	33.1	32.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.4	4.9	4.4	4.9	4.8
17	INCOME TAXES - OPERATING	-	-	-	-	0.6
18	OTHER TAXES - OPERATING	13.3	14.8	13.4	13.4	13.7
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.6	7.2	7.3	8.4	9.3
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	13.3	.9-	8.0	5.2-	2.1-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	69.35	72.60	50.43	53.99	49.75
24	WAGES AND BENEFITS	42.82	47.39	31.80	180.69	126.98
25	OTHER OPERATION AND MAINTENANCE EXPENSES	402.61	354.57	308.22	170.90	136.97
26	DEPRECIATION AND AMORTIZATION EXPENSES	35.65	31.40	25.84	25.39	20.43
27	INCOME TAXES - OPERATING	-	-	-	-	2.62
28	OTHER TAXES - OPERATING	107.74	94.70	77.95	69.32	58.15
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	45.23	45.96	42.70	43.30	39.78
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	107.72	5.76-	46.66	26.97-	9.18-
32	TOTAL	811.13	640.88	583.61	516.62	425.49

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

JAMAICA WATER SUPPLY COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 78,148,567	$ 71,613,007	$ 65,833,395	$ 61,432,292	$ 58,641,487
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	20,560,147	20,047,824	19,629,947	19,256,559	18,665,737
3	NET WATER PLANT	57,588,420	51,565,183	46,203,448	42,175,733	39,975,750
4	OTHER PHYSICAL PROPERTY	5,816	5,816	5,816	5,816	5,816
5	INVESTMENTS IN ASSOCIATED COMPANIES		-	-	-	-
6	OTHER INVESTMENTS AND FUNDS		-	-		
7	TOTAL INVESTMENT AND FUND ACCOUNTS	5,816	5,816	5,816	5,816	5,816
8	CASH AND WORKING FUNDS	631,485	2,534,301	434,203	371,976	503,011
9	SPECIAL DEPOSITS	5,366,891	2,846,833	5,600	90,725	7,600
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	4,751,312	5,601,931	5,325,001	4,990,789	4,194,508
12	RECEIVABLES FROM ASSOCIATED COMPANIES	10,321	-	1,337,144	1,359,548	1,701,529
13	MATERIALS AND SUPPLIES	644,131	636,934	589,422	497,345	543,013
14	PREPAYMENTS	950,830	566,800	585,131	483,580	481,468
15	OTHER CURRENT AND ACCRUED ASSETS	1,655,100	1,810,000	1,580,000	1,479,316	1,493,510
16	TOTAL CURRENT AND ACCRUED ASSETS	14,010,070	13,996,799	9,856,501	9,263,877	8,924,639
17	UNAMORTIZED DEBT EXPENSE	930,321	1,016,655	656,287	335,191	382,408
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	95,031	-	-	30,154
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	357,311	499,834	353,653	448,142	366,263
23	TOTAL DEFERRED DEBITS	1,287,632	1,611,520	1,009,940	783,333	778,825
24	TOTAL ASSETS AND OTHER DEBITS	$ 72,891,938	$ 67,179,318	$ 57,075,705	$ 52,228,759	$ 49,685,030
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 4,155,769	$ 4,155,769	$ 4,155,769	$ 4,155,769	$ 4,155,769
26	PREFERRED CAPITAL STOCK	3,537,620	3,669,710	3,801,800	3,933,890	4,065,980
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	1,285,454	1,285,454	-	-	-
32	CAPITAL STOCK EXPENSE	429,810-	429,810-	429,810-	429,810-	429,810-
33	RETAINED EARNINGS	18,861,450	16,736,880	13,929,888	11,592,809	9,480,465
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	27,410,483	25,418,003	21,457,647	19,252,658	17,272,404
36	BONDS (LESS BONDS REACQUIRED)	26,684,500	27,512,500	24,069,268	20,845,023	21,470,773
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	-	-	-	-	1,250,500
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	23,938-	24,918-	-	-	-
40	TOTAL LONG TERM DEBT	26,660,562	27,487,582	24,069,268	20,845,023	22,721,273
41	NOTES AND ACCOUNTS PAYABLE	3,697,580	2,444,363	3,979,348	5,300,609	2,546,183
42	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
43	CUSTOMERS' DEPOSITS	247,392	194,543	192,996	189,723	190,150
44	TAXES ACCRUED	1,011,523	444,002	369,492	647,161	2,734,706
45	OTHER CURRENT AND ACCRUED LIABILITIES	5,115,307	3,830,113	2,161,773	2,153,721	1,869,203
46	TOTAL CURRENT AND ACCRUED LIABILITIES	10,071,802	6,913,021	6,703,609	8,291,214	7,340,242
47	CUSTOMER ADVANCES FOR CONSTRUCTION	50,700	58,899	39,149	13,186	13,786
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	3,579,744	2,603,744	1,723,744	1,024,744	244,016
49	OTHER DEFERRED CREDITS	2,886,003	3,726,425	2,236,644	2,224,290	1,871,633
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORTIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	1,788,345	393,345	519,345	211,345	54,345
52	OTHER	444,299	478,299	326,299	366,299	167,331
53	TOTAL DEFERRED CREDITS	8,749,091	7,360,712	4,845,181	3,839,864	2,351,111
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 72,891,938	$ 67,179,318	$ 57,075,705	$ 52,228,759	$ 49,685,030
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	WATER PLANT PER DOLLAR OF REVENUE	1.89	1.83	1.91	1.94	2.22
57	CURRENT ASSETS / CURRENT LIABILITIES	1.39	2.02	1.47	1.12	1.22
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	49.3	51.9	52.8	51.9	56.8
59	PREFERRED STOCK	6.5	6.9	8.3	9.8	10.1
60	COMMON STOCK + OTHER PAID-IN CAPITAL	9.2	9.4	8.1	9.2	9.3
61	RETAINED EARNINGS	34.8	31.6	30.5	28.9	23.7
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	34.1	38.3	36.5	33.9	38.7
63	PERCENT OF NET WATER PLANT	46.2	53.3	52.0	49.4	56.8
64	ACCUMULATED PROVISION FOR DEPRE +AMORT PERCENT OF WATER PLANT	26.3	27.9	29.8	31.3	31.8

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

JAMAICA WATER SUPPLY COMPANY

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING INCOME						
OPERATING REVENUES	$ 39,655,467	$ 37,488,594	$ 33,376,498	$ 31,023,082	$ 25,963,778	1
OPERATION AND MAINTENANCE EXPENSES	21,533,238	19,257,830	16,954,045	15,488,956	13,133,773	2
DEPRECIATION	1,282,634	1,176,438	1,097,692	1,032,681	996,526	3
AMORTIZATION	24,910	25,644	21,632	10,558	5,954	4
TAXES OTHER THAN INCOME TAXES	8,098,663	9,061,145	8,526,983	7,449,359	6,793,334	5
INCOME TAXES	2,386,000	1,940,000	1,312,000	1,551,059	303,938	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	33,325,445	31,461,057	27,912,352	25,531,213	21,233,525	9
NET OPERATING REVENUES	6,330,022	6,027,537	5,464,146	5,491,869	4,730,253	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	6,330,022	6,027,537	5,464,146	5,491,869	4,730,253	12
OTHER INCOME						
INCOME FROM MDSE, JOBBING+CONTRACT WORK	-	-	-	-	-	13
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	14
NONOPERATING RENTAL INCOME	-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME	431,898	16,562	21,104	16,989	77,090	16
ALLOWANCE FOR CONSTRUCTION FUNDS	112,013	143,111	57,962	14,532	2,067	17
MISCELLANEOUS NONOPERATING INCOME	-	-	-	-	-	18
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	19
TOTAL OTHER INCOME	543,911	159,673	79,066	31,521	79,157	20
TOTAL INCOME	6,873,933	6,187,210	5,543,212	5,523,390	4,809,410	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS	-	50,000	150,000	-	-	24
TAXES OTHER THAN INC TAXES-NONOPERATING	-	-	-	-	-	25
INCOME TAXES-NONOPERATING	149,000	85,000-	156,000-	25,909-	35,040-	26
TOTAL OTHER INCOME DEDUCTIONS	149,000	35,000-	6,000-	25,909-	35,040-	27
INCOME BEFORE INTEREST CHARGES	6,724,333	6,222,210	5,549,212	5,549,299	4,844,450	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	3,077,032	2,762,055	2,483,985	2,409,068	2,288,031	29
AMORT OF DEBT DISCOUNT EXPENSE	100,595	73,167	57,989	53,523	51,237	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	18,240	14,024	-	-	32
OTHER INTEREST CHARGES	34,224	250,108	329,617	632,976	807,173	33
TOTAL INTEREST CHARGES	3,211,851	3,103,570	2,885,615	3,095,567	3,146,441	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS	-	-	-	-	-	37
NET EXTRAORDINARY ITEMS	-	-	-	-	-	38
NET INCOME	$ 3,513,082	$ 3,118,640	$ 2,663,597	$ 2,453,732	$ 1,698,009	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 16,736,880	$ 13,929,888	$ 11,592,809	$ 9,480,465	$ 8,138,714	40
BALANCE TRANSFERRED FROM INCOME	3,513,082	3,118,640	2,663,597	2,453,732	1,698,009	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK	296,778	311,648	326,518	341,388	356,258	43
-COMMON STOCK	1,091,734	-	-	-	-	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	18,861,450	16,736,880	13,929,888	11,592,809	9,480,465	46
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 18,861,450	$ 16,736,880	$ 13,929,888	$ 11,592,809	$ 9,480,465	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	LINE NO
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	54.3	51.3	50.7	49.9	50.5	49
DEPRECIATION AND AMORTIZATION	3.2	3.2	3.3	3.3	3.8	50
INCOME TAXES	6.0	5.1	3.9	4.9	1.1	51
OTHER TAXES	20.4	24.1	25.5	24.0	26.1	52
TOTAL OPERATING EXPENSES	84.0	83.9	83.6	82.2	81.7	53
OPERATING INCOME	15.9	16.0	16.3	17.7	18.2	54
DEPRECIATION + AMORT % OF WATER PLANT	1.6	1.6	1.7	1.6	1.7	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	8.1	8.3	8.6	10.0	12.1	56
PRETAX INTEREST COVERAGE	2.9	2.6	2.3	2.3	1.6	57
NET INCOME - % OF OPERATING REVENUES	8.8	8.3	7.9	7.9	6.5	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.7	0.8	0.9	1.1	1.3	59
TIMES EARNED	11.8	10.0	8.2	7.2	4.8	60
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	2.7	-	-	-	-	61
PERCENT OF EARNINGS AVAILABLE FOR COMMON	33.9	-	-	-	-	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	14.1	14.2	14.1	14.8	10.7	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	4.7	-	-	-	-	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

JAMAICA WATER SUPPLY COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 3,513,082	$ 3,118,640	$ 2,663,597	$ 2,453,732	$ 1,698,009
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	2,191,184	1,636,748	1,749,498	1,363,838	1,354,073
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	1,737,000	1,506,000	968,000	1,135,696	283,898
4	INTEREST CAPITALIZED	112,013-	143,111-	57,982-	14,532-	2,067-
5	OTHER (NET)	38,987	1,054,109	37,917	395,426	185,507
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	7,368,240	7,172,386	5,361,048	5,334,160	3,519,420
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	7,368,240	7,172,386	5,361,048	5,334,160	3,519,420
10	LESS DIVIDENDS: PREFERRED	296,778	311,648	326,518	341,388	356,258
11	COMMON	1,091,734	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	5,979,728	6,860,738	5,034,530	4,992,772	3,163,162
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	2,300,000	2,000,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	5,000,000	5,000,000	-	-
17	OTHER (NET)	-	1,285,454	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	6,285,454	5,000,000	2,300,000	2,000,000
20	OTHER SOURCES (NET)	3,146,490	-	-	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 9,126,218	$ 13,146,192	$ 10,034,530	$ 7,292,772	$ 5,163,162
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 7,182,489	$ 6,487,806	$ 4,985,488	$ 3,203,026	$ 2,164,778
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	7,182,489	6,487,806	4,985,488	3,203,026	2,164,778
28	LESS INTEREST CAPITALIZED	112,013	143,111	57,982	14,532	2,067
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	7,070,476	6,344,695	4,927,506	3,188,494	2,162,711
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	828,000	1,556,768	1,775,755	1,876,250	755,083
31	PREFERRED STOCK	132,090	132,090	132,090	132,090	132,090
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	1,750,000	2,050,000	-	500,000
34	OTHER (NET)	-	24,918	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	960,090	3,463,776	3,957,845	2,008,340	1,387,173
37	OTHER USES (NET)	1,095,652	3,337,721	1,149,179	2,095,938	1,613,278
38						
39						
40	TOTAL FUNDS APPLIED	$ 9,126,218	$ 13,146,192	$ 10,034,530	$ 7,292,772	$ 5,163,162

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

JAMAICA WATER SUPPLY COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 23,085,122	$ 17,289,018	$ 11,824,099	$ 9,259,538	$ 7,944,397	1
UNMETERED SALES TO GENERAL CUSTOMERS	10,887,459	14,411,278	16,582,465	17,093,840	14,574,571	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	5,013,616	5,108,951	4,366,032	4,088,116	2,961,896	4
TOTAL REVENUES FROM SALES OF WATER	38,986,197	36,809,245	32,772,596	30,441,494	25,480,864	5
OTHER WATER OPERATING REVENUES	669,270	679,349	603,902	581,588	482,914	6
TOTAL WATER OPERATING REVENUES	$ 39,655,467	$ 37,488,594	$ 33,376,498	$ 31,023,082	$ 25,963,778	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	15,057,000	12,599,178	9,963,157	8,991,083	9,003,305	8
UNMETERED SALES TO GENERAL CUSTOMERS	7,766,000	11,221,900	15,340,115	17,694,579	16,715,571	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	22,823,000	23,821,078	25,303,272	26,685,662	25,718,876	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	76,930	53,996	35,981	30,708	29,305	13
UNMETERED SALES TO GENERAL CUSTOMERS	39,828	62,764	80,668	86,167	87,657	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	784	778	775	775	773	16
TOTAL CUSTOMERS	117,542	117,538	117,424	117,650	117,735	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG ANNUAL BILL PER CUSTOMER	$ 300.07	$ 320.19	$ 328.62	$ 301.53	$ 271.09	18
AVG CONSUMPTION PER CUSTOMER (T GAL)	195.72	233.33	276.90	292.79	307.22	19
AVG REVENUE PER T GALLONS SOLD (CENTS)	153.32	137.22	118.68	102.99	88.24	20
UNMETERED GENERAL CUSTOMERS						
AVG ANNUAL BILL PER CUSTOMER	$ 273.36	$ 229.61	$ 205.56	$ 198.38	$ 166.26	21
AVG CONSUMPTION PER CUSTOMER (T GAL)	194.98	178.79	190.16	205.35	190.69	22
AVG REVENUE PER T GALLONS SOLD(CENTS)	140.19	128.42	108.10	96.60	87.19	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 498,185	$ 747,278	$ 756,696	$ 591,973	$ 402,859	24
POWER AND PUMPING EXPENSES	5,647,272	5,973,924	6,102,409	5,977,408	5,613,915	25
PURIFICATION EXPENSES	1,734,604	1,408,194	1,306,865	1,240,665	1,009,672	26
TRANSMISSION AND DISTRIBUTION EXPENSES	5,498,201	4,288,223	3,102,749	2,356,885	1,882,925	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	3,244,575	2,597,949	2,126,420	1,961,333	1,442,724	28
ADMINISTRATIVE+GENERAL EXPENSES	4,910,401	4,242,262	3,558,906	3,358,692	2,781,678	29
TOTAL WATER OPERATION+MAINT EXPENSES	$ 21,533,238	$ 19,257,830	$ 16,354,045	$ 15,486,956	$ 13,133,773	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 77,199,743	$ 70,829,031	$ 64,972,186	$ 60,533,430	$ 58,007,494	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	1,100,934	936,086	1,013,319	1,050,972	786,103	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	152,110-	152,110-	152,110-	152,110-	152,110-	37
TOTAL WATER UTILITY PLANT	78,148,567	71,613,007	65,833,395	61,432,292	58,641,487	38
ACCUM PROV FOR DEPR AMORT DEPLETION	20,560,147	20,047,824	19,629,947	19,256,559	18,665,737	39
NET WATER UTILITY PLANT	$ 57,588,420	$ 51,565,183	$ 46,203,448	$ 42,175,733	$ 39,975,750	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 70,829,031	$ 64,972,186	$ 60,533,430	$ 58,007,494	$ 56,015,657	41
ADDITIONS	7,496,695	6,569,779	5,022,959	2,941,567	2,274,411	42
RETIREMENTS	594,293	594,913	583,323	410,171	282,565	43
TRANSFERS AND ADJUSTMENTS	531,690-	118,021-	880-	5,460-	9-	44
PLANT IN SERVICE END OF YEAR	$ 77,199,743	$ 70,829,031	$ 64,972,186	$ 60,533,430	$ 58,007,494	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

JAMAICA WATER SUPPLY COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 39,655,467	$ 37,488,594	$ 33,376,498	$ 31,023,082	$ 25,963,778
2	SALES (THOUSAND GALLONS)	22,823,000	23,821,078	25,303,272	26,685,882	25,718,876
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 4,185,585	$ 5,188,982	$ 5,505,975	$ 5,492,204	$ 5,008,949
4	WAGES AND BENEFITS	8,521,320	7,500,344	6,307,570	5,658,176	4,944,385
5	OTHER OPERATION AND MAINTENANCE EXPENSES	8,826,333	6,570,524	5,140,500	4,336,576	3,180,439
6	DEPRECIATION AND AMORTIZATION EXPENSES	1,307,544	1,202,082	1,119,324	1,043,239	1,002,480
7	INCOME TAXES - OPERATING	2,386,000	1,940,000	1,312,000	1,551,059	303,938
8	OTHER TAXES - OPERATING	8,098,663	9,061,145	8,526,983	7,449,959	6,793,334
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3,156,181	3,034,018	2,857,156	3,088,288	3,140,583
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	291,401	303,777	322,808	340,356	355,341
11	EARNINGS AVAILABLE FOR COMMON EQUITY	2,882,440	2,689,742	2,284,182	2,083,227	1,234,329
12	TOTAL	$ 39,655,467	$ 37,488,594	$ 33,376,498	$ 31,023,082	$ 25,963,778
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	10.6	13.8	16.5	17.7	19.3
14	WAGES AND BENEFITS	21.5	20.0	18.9	18.2	19.0
15	OTHER OPERATION AND MAINTENANCE EXPENSES	22.3	17.5	15.4	14.0	12.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	3.3	3.2	3.4	3.4	3.9
17	INCOME TAXES - OPERATING	6.0	5.2	3.9	5.0	1.2
18	OTHER TAXES - OPERATING	20.4	24.2	25.5	24.0	26.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.0	8.1	8.6	10.0	12.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.7	0.8	1.0	1.1	1.4
21	EARNINGS AVAILABLE FOR COMMON EQUITY	7.3	7.2	6.8	6.7	4.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	18.34	21.77	21.76	20.58	19.48
24	WAGES AND BENEFITS	37.34	31.49	24.93	21.20	19.22
25	OTHER OPERATION AND MAINTENANCE EXPENSES	38.67	27.58	20.32	16.25	12.37
26	DEPRECIATION AND AMORTIZATION EXPENSES	5.73	5.05	4.47	3.91	3.90
27	INCOME TAXES - OPERATING	10.45	8.14	5.19	5.81	1.18
28	OTHER TAXES - OPERATING	35.48	38.04	33.70	27.92	26.41
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	13.83	12.74	11.29	11.57	12.21
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.28	1.28	1.28	1.28	1.38
31	EARNINGS AVAILABLE FOR COMMON EQUITY	12.63	11.29	9.03	7.73	4.80
32	TOTAL	173.75	157.38	131.91	116.25	100.95

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

KIAMESHA ARTESIAN SPRING WATER COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 472,821	$ 466,183	$ 290,343	$ 286,002	$ 285,745
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	181,118	149,778	136,028	137,054	125,900
3	NET WATER PLANT	291,703	316,405	154,315	148,948	159,845
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-	-	-		
8	CASH AND WORKING FUNDS	3,728-	8,396	11,528	6,070	868
9	SPECIAL DEPOSITS	-	-	-	-	-
10	TEMPORARY CASH INVESTMENTS	100	100	100	100	100
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	13,703	10,179	6,160	15,046	14,483
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
13	MATERIALS AND SUPPLIES	1,390	814	842	522	491
14	PREPAYMENTS	5,266	3,656	4,196	2,922	3,217
15	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
16	TOTAL CURRENT AND ACCRUED ASSETS	16,731	23,145	22,826	24,660	19,159
17	UNAMORTIZED DEBT EXPENSE	5,323	7,078	566	817	1,069
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-		-		-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	-		40
23	TOTAL DEFERRED DEBITS	5,323	7,078	566	817	1,109
24	TOTAL ASSETS AND OTHER DEBITS	$ 313,757	$ 346,628	$ 177,707	$ 174,425	$ 180,113
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 7,900	$ 7,900	$ 7,900	$ 7,900	$ 7,900
26	PREFERRED CAPITAL STOCK	-	-	-	-	
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	
28	PREMIUM ON CAPITAL STOCK	-	-		-	
29	CAPITAL STOCK SUBSCRIBED	-	-		-	
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-		-	
31	OTHER PAID-IN CAPITAL	-	-		-	
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	55,675	82,990	43,688	71,847	66,176
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	63,575	90,890	51,588	79,747	74,076
36	BONDS (LESS BONDS REACQUIRED)	-	-			-
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	154,060	178,264	31,383	29,408	42,703
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	154,060	178,264	31,383	29,408	42,703
41	NOTES AND ACCOUNTS PAYABLE	68,277	46,650	76,741	47,490	48,690
42	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
43	CUSTOMERS' DEPOSITS	-	-	-	-	-
44	TAXES ACCRUED	1,295	5,341	1,740	1,250	3,097
45	OTHER CURRENT AND ACCRUED LIABILITIES	21,448	20,230	7,280	7,280	6,424
46	TOTAL CURRENT AND ACCRUED LIABILITIES	91,020	72,221	85,761	56,020	58,211
47	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-			-
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	-	-	-	-	-
49	OTHER DEFERRED CREDITS	5,102	5,253	8,975	9,250	5,123
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-		-	-
51	LIBERALIZED DEPRECIATION	-	-	-		
52	OTHER	-	-	-	-	-
53	TOTAL DEFERRED CREDITS	5,102	5,253	8,975	9,250	5,123
54	OPERATING RESERVES	-	-		-	
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 313,757	$ 346,628	$ 177,707	$ 174,425	$ 180,113
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	WATER PLANT PER DOLLAR OF REVENUE	1.63	1.52	1.65	1.56	1.65
57	CURRENT ASSETS / CURRENT LIABILITIES	0.18	0.32	0.27	0.44	0.33
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	70.7	66.2	38.2	26.9	36.5
59	PREFERRED STOCK	-	-	-	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	3.6	2.9	9.4	7.2	6.7
61	RETAINED EARNINGS	25.5	30.8	52.2	65.8	56.6
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	32.5	38.2	11.0	10.2	14.9
63	PERCENT OF NET WATER PLANT	52.8	56.3	20.7	19.7	26.7
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	38.3	32.1	46.8	47.9	44.0

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

KIAMESHA ARTESIAN SPRING WATER COMPANY

ITEM		1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT							
WATER OPERATING INCOME							
OPERATING REVENUES	$	287,684 $	248,710 $	174,264 $	183,101 $	172,653	1
OPERATION AND MAINTENANCE EXPENSES		234,751	202,662	176,491	145,034	122,844	2
DEPRECIATION		31,340	13,750	11,424	11,154	12,678	3
AMORTIZATION		-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES		24,469	18,988	15,133	14,449	13,327	5
INCOME TAXES		-	-	-	-	-	6
GAINS FROM DISP. OF UTILITY PLANT							7
LOSSES FROM DISP. OF UTILITY PLANT							8
TOTAL OPERATING EXPENSES		290,560	235,400	203,048	170,637	148,849	9
NET OPERATING REVENUES		2,876-	13,310	28,784-	12,464	23,804	10
INCOME FROM PLANT LEASED TO OTHERS		-	-	-	-	-	11
TOTAL WATER OPERATING INCOME		2,876-	13,310	28,784-	12,464	23,804	12
OTHER INCOME							
INCOME FROM MDSE, JOBBING-CONTRACT WORK		-	-	171	-	-	13
INCOME FROM NONUTILITY OPERATIONS		-	-	-	-	-	14
NONOPERATING RENTAL INCOME		-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME		11	-	-	-	-	16
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	-	-	-	17
MISCELLANEOUS NONOPERATING INCOME		-	37,599	7,736	-	-	18
GAIN ON DISPOSITION OF PROPERTY		-	-	-	-	-	19
TOTAL OTHER INCOME		11	37,599	7,907	-	-	20
TOTAL INCOME		2,865-	50,909	20,877-	12,464	23,804	21
OTHER INCOME DEDUCTIONS							
LOSS ON DISPOSITION OF PROPERTY		-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION		-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS		-	-	-	40	40	24
TAXES OTHER THAN INC TAXES-NONOPERATING		-	-	-	-	-	25
INCOME TAXES-NONOPERATING		-	-	-	-	-	26
TOTAL OTHER INCOME DEDUCTIONS		-	-	-	40	40	27
INCOME BEFORE INTEREST CHARGES		2,865-	50,909	20,877-	12,424	23,764	28
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		22,076	10,181	3,367	3,116	3,849	29
AMORT OF DEBT DISCOUNT EXPENSE		1,754	1,003	251	252	251	30
AMORT OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES		-	-	-	-	-	32
OTHER INTEREST CHARGES		620	423	3,664	3,385	2,935	33
TOTAL INTEREST CHARGES		24,450	11,607	7,282	6,753	7,035	34
EXTRAORDINARY ITEMS							
EXTRAORDINARY INCOME		-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS		-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS		-	-	-	-	-	37
NET EXTRAORDINARY ITEMS		-	-	-	-	-	38
NET INCOME	$	27,315-$	39,302 $	28,159-$	5,671 $	16,729	39
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$	82,990 $	43,688 $	71,847 $	66,176 $	49,447	40
BALANCE TRANSFERRED FROM INCOME		27,315-	39,302	28,159-	5,671	16,729	41
APPROPRIATIONS OF RETAINED EARNINGS			-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK			-	-	-	-	43
-COMMON STOCK			-	-	-	-	44
ADJUSTMENTS TO RETAINED EARNINGS		-	-	-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR		55,675	82,990	43,688	71,847	66,176	46
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$	55,675 $	82,990 $	43,688 $	71,847 $	66,176	48
SELECTED INCOME ACCOUNT RELATIONSHIPS							
PERCENT OF WATER OPERATING REVENUES							
OPERATION AND MAINTENANCE EXPENSES		81.6	81.4	101.2	79.2	71.1	49
DEPRECIATION AND AMORTIZATION		10.8	5.5	6.5	6.0	7.3	50
INCOME TAXES		-	-	-	-	-	51
OTHER TAXES		8.5	7.6	8.6	7.8	7.7	52
TOTAL OPERATING EXPENSES		100.9	94.6	116.5	93.1	86.2	53
OPERATING INCOME		0.8-	5.3	16.4-	6.8	13.7	54
DEPRECIATION + AMORT % OF WATER PLANT		6.6	2.9	3.9	3.8	4.4	55
INTEREST EXPENSE							
PERCENT OF OPERATING REVENUES		8.5	4.7	4.2	3.7	4.1	56
PRETAX INTEREST COVERAGE		-	4.4	2.8-	1.8	3.4	57
NET INCOME - % OF OPERATING REVENUES		9.3-	15.8	16.0-	3.0	9.6	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK							
PERCENT OF OPERATING REVENUES		-	-	-	-	-	59
TIMES EARNED		-	-	-	-	-	60
DIVIDEND APPROPRIATIONS, COMMON STOCK							
PERCENT OF OPERATING REVENUES		-	-	-	-	-	61
PERCENT OF EARNINGS AVAILABLE FOR COMMON		-	-	-	-	-	62
PERCENT OF AVERAGE COMMON EQUITY:							
EARNINGS AVAILABLE FOR COMMON EQUITY		-	55.1	-	7.3	25.4	63
DIVIDEND APPROPRIATIONS, COMMON STOCK		-	-	-	-	-	64

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MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

KIAMESHA ARTESIAN SPRING WATER COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 27,315-	$ 39,302	$ 28,159-	$ 5,671	$ 16,729
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	33,094	14,753	11,675	11,446	13,043
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	-	-	-	-	-
4	INTEREST CAPITALIZED	-	-	-	-	
5	OTHER (NET)	-	-	-	4,127	
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	5,779	54,055	16,484-	21,244	29,772
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-		-
9	TOTAL FUNDS FROM INTERNAL SOURCES	5,779	54,055	16,484-	21,244	29,772
10	LESS DIVIDENDS PREFERRED	-	-			-
11	COMMON	-	-	-		-
12	NET FUNDS FROM INTERNAL SOURCES	5,779	54,055	16,484-	21,244	29,772
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	165,000	2,575	-	-
14	PREFERRED STOCK	-	-			-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	165,000	2,575	-	-
20	OTHER SOURCES (NET)	25,214	-	31,085	5,860	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 30,993	$ 219,055	$ 17,176	$ 27,104	$ 29,772
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 6,638	$ 175,840	$ 16,791	$ 257	$ 2,281
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-		-	-
27	TOTAL GROSS ADDITIONS	6,638	175,840	16,791	257	2,281
28	LESS INTEREST CAPITALIZED	-	-		-	
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	6,638	175,840	16,791	257	2,281
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	24,204	18,719		13,295	9,084
31	PREFERRED STOCK	-	-		-	
32	REDEMPTION OF CAPITAL STOCK	-	-		-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	151	-		-	
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	24,355	18,719	-	13,295	9,084
37	OTHER USES (NET)	-	24,496	385	13,552	18,407
38						
39						
40	TOTAL FUNDS APPLIED	$ 30,993	$ 219,055	$ 17,176	$ 27,104	$ 29,772

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

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COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

KIAMESHA ARTESIAN SPRING WATER COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO.
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 97,453	$ 82,596	$ 70,952	$ 68,597	$ 65,757	1
UNMETERED SALES TO GENERAL CUSTOMERS	180,628	155,934	98,430	102,818	96,950	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	7,233	9,419	3,877	8,802	7,639	4
TOTAL REVENUES FROM SALES OF WATER	285,314	247,949	173,259	180,217	170,346	5
OTHER WATER OPERATING REVENUES	2,370	761	1,005	2,884	2,307	6
TOTAL WATER OPERATING REVENUES	$ 287,684	$ 248,710	$ 174,264	$ 183,101	$ 172,653	7
WATER SALES(T.GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	26,622	25,426	31,169	29,440	28,230	8
UNMETERED SALES TO GENERAL CUSTOMERS	90,408	89,855	83,745	87,510	86,780	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	1,000	1,000	1,000	10,000	10,000	11
TOTAL SALES OF WATER	118,030	116,281	115,914	126,950	123,010	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	272	261	255	255	255	13
UNMETERED SALES TO GENERAL CUSTOMERS	4	4	4	3	3	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	5	5	5	5	5	16
TOTAL CUSTOMERS	281	270	264	263	263	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 358.28	$ 316.45	$ 278.24	$ 269.00	$ 257.87	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	97.87	97.41	122.23	115.45	102.86	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	366.06	324.85	227.64	233.01	250.69	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 45,157.00	$ 38,983.50	$ 24,607.50	$ 34,272.66	$ 32,316.66	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	22,602.00	22,462.75	20,936.25	29,170.00	28,926.66	22
AVG. REVENUE PER T.GALLONS SOLD(CENTS)	199.79	173.54	117.54	117.49	111.72	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 23,517	$ 5,930	$ 7,166	$ 5,357	$ 6,206	24
POWER AND PUMPING EXPENSES	75,076	76,843	62,381	59,498	49,191	25
PURIFICATION EXPENSES	39,612	34,163	29,948	28,403	22,165	26
TRANSMISSION AND DISTRIBUTION EXPENSES	19,507	10,195	18,360	9,156	5,716	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	26,093	26,677	21,828	19,022	13,667	28
ADMINISTRATIVE+GENERAL EXPENSES	50,946	48,854	38,807	23,598	25,899	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 234,751	$ 202,662	$ 178,490	$ 145,034	$ 122,844	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 469,821	$ 463,183	$ 287,343	$ 283,002	$ 282,745	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	-	-	-	-	-	33
PLANT HELD FOR FUTURE USE	3,000	3,000	3,000	3,000	3,000	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	472,821	466,183	290,343	286,002	285,745	38
ACCUM PROV FOR DEPR. AMORT., DEPLETION	181,118	149,778	136,028	137,054	125,900	39
NET WATER UTILITY PLANT	$ 291,703	$ 316,405	$ 154,315	$ 148,948	$ 159,845	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 463,183	$ 287,343	$ 283,002	$ 282,745	$ 280,457	41
ADDITIONS	6,638	175,840	22,051	257	2,288	42
RETIREMENTS	-	-	17,710	-	-	43
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 469,821	$ 463,183	$ 287,343	$ 283,002	$ 282,745	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

KIAMESHA ARTESIAN SPRING WATER COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 287,684	$ 248,710	$ 174,264	$ 183,101	$ 172,653
2	SALES (THOUSAND GALLONS)	118,030	116,281	115,914	126,950	123,010
	DOLLAR AMOUNTS					
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 51,826	$ 55,974	$ 48,779	$ 50,683	$ 40,259
4	WAGES AND BENEFITS	7,868	58,260	2,452	41,412	26,958
5	OTHER OPERATION AND MAINTENANCE EXPENSES	175,057	88,428	125,259	52,939	55,627
6	DEPRECIATION AND AMORTIZATION EXPENSES	31,340	13,750	11,424	11,154	12,678
7	INCOME TAXES - OPERATING	-	-	-	-	-
8	OTHER TAXES - OPERATING	24,469	18,988	15,133	14,449	13,327
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	24,450	11,607	7,282	6,753	7,035
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	27,328-	1,703	36,066-	5,711	16,769
12	TOTAL	$ 287,684	$ 248,710	$ 174,264	$ 183,101	$ 172,653
	PERCENT OF REVENUES					
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	18.0	22.5	28.0	27.7	23.3
14	WAGES AND BENEFITS	2.7	23.4	1.4	22.6	15.6
15	OTHER OPERATION AND MAINTENANCE EXPENSES	60.9	35.6	71.9	28.9	32.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	10.9	5.5	6.6	6.1	7.3
17	INCOME TAXES - OPERATING	-	-	-	-	-
18	OTHER TAXES - OPERATING	8.5	7.6	8.7	7.9	7.7
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.5	4.7	4.2	3.7	4.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.4-	0.7	20.6-	3.1	9.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	CENTS PER THOUSAND GALLONS SOLD					
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	43.91	48.14	42.08	39.92	32.73
24	WAGES AND BENEFITS	6.67	50.10	2.12	32.62	21.92
25	OTHER OPERATION AND MAINTENANCE EXPENSES	148.32	76.05	108.06	41.70	45.22
26	DEPRECIATION AND AMORTIZATION EXPENSES	26.55	11.82	9.86	8.79	10.31
27	INCOME TAXES - OPERATING	-	-	-	-	-
28	OTHER TAXES - OPERATING	20.73	16.33	13.06	11.38	10.83
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	20.72	9.98	6.28	5.32	5.72
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	23.14-	1.46	31.10-	4.50	13.63
32	TOTAL	243.74	213.89	150.34	144.23	140.36

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

LONG ISLAND WATER CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 43,489,008	$ 42,195,102	$ 41,103,012	$ 40,166,463	$ 39,010,110
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	13,226,724	12,581,639	11,983,083	11,408,172	10,856,103
3	NET WATER PLANT	30,262,284	29,613,463	29,119,929	28,758,291	28,154,007
4	OTHER PHYSICAL PROPERTY	63,368	63,368	63,368	63,368	64,064
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	63,368	63,368	63,368	63,368	64,064
8	CASH AND WORKING FUNDS	131,654	98,276	124,878	58,166	39,443
9	SPECIAL DEPOSITS	250	250	250	250	250
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	2,164,483	1,974,852	1,898,839	1,728,362	1,334,187
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
13	MATERIALS AND SUPPLIES	491,688	524,624	545,112	568,582	145,716
14	PREPAYMENTS	249,183	231,967	222,113	195,367	193,572
15	OTHER CURRENT AND ACCRUED ASSETS	1,221,447	1,194,570	1,136,502	1,033,641	905,761
16	TOTAL CURRENT AND ACCRUED ASSETS	4,258,703	4,024,539	3,927,694	3,594,968	3,078,429
17	UNAMORTIZED DEBT EXPENSE	298,908	202,120	223,112	244,166	138,566
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	16,772	10,598	13,710	9,592	11,330
20	CLEARING ACCOUNTS	682	-	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	125,765	253,011	75,359	161,158	66,822
23	TOTAL DEFERRED DEBITS	442,127	465,727	312,181	414,916	217,318
24	TOTAL ASSETS AND OTHER DEBITS	$ 35,026,482	$ 34,167,097	$ 33,423,172	$ 32,831,549	$ 31,513,818
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 10,000,000	$ 10,000,000	$ 10,000,000	$ 10,000,000	$ 10,000,000
26	PREFERRED CAPITAL STOCK	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	4,162,279	4,329,336	4,448,514	4,114,373	3,901,590
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	15,287,283	15,454,336	15,573,514	15,239,373	15,026,590
36	BONDS (LESS BONDS REACQUIRED)	15,580,000	11,920,000	13,500,000	11,680,000	11,480,000
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	-	-	-	-	-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	15,580,000	11,920,000	13,500,000	11,680,000	11,480,000
41	NOTES AND ACCOUNTS PAYABLE	965,797	896,760	971,729	716,348	641,446
42	PAYABLES TO ASSOCIATED COMPANIES	559,246-	2,955,781	855,236	749,833	2,636,242
43	CUSTOMERS' DEPOSITS	118,626	124,213	130,800	116,558	121,882
44	TAXES ACCRUED	1,101,526	619,936	574,826	661,355	350,726
45	OTHER CURRENT AND ACCRUED LIABILITIES	777,342	748,685	708,005	682,925	442,429
46	TOTAL CURRENT AND ACCRUED LIABILITIES	2,404,055	5,344,875	3,240,596	2,926,019	4,197,325
47	CUSTOMER ADVANCES FOR CONSTRUCTION	382,389	240,750	258,970	303,261	388,844
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	639,194	572,589	443,547	354,382	250,664
49	OTHER DEFERRED CREDITS	73,527	68,527	49,998	78,083	24,544
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	620,643	469,306	334,893	227,676	143,247
52	OTHER	38,795	96,704	21,654	72,155	27,604
53	TOTAL DEFERRED CREDITS	1,754,547	1,447,886	1,109,062	985,557	834,903
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 35,026,482	$ 34,167,097	$ 33,423,172	$ 32,831,549	$ 31,513,818

SELECTED BALANCE SHEET RELATIONSHIPS

LINE NO	ITEM	1985	1984	1983	1982	1981
56	WATER PLANT PER DOLLAR OF REVENUE	1.91	1.97	1.98	2.16	2.39
57	CURRENT ASSETS / CURRENT LIABILITIES	1.77	0.75	1.21	1.23	0.73
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	50.4	43.5	46.4	47.3	43.7
59	PREFERRED STOCK	3.6	4.1	3.8	3.8	4.2
60	COMMON STOCK + OTHER PAID-IN CAPITAL	32.3	36.5	34.3	34.5	37.1
61	RETAINED EARNINGS	13.4	15.8	15.3	14.2	14.7
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	35.8	28.2	32.8	34.0	29.3
63	PERCENT OF NET WATER PLANT	51.4	40.2	46.3	47.5	40.7
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	30.4	29.8	29.1	28.4	27.8

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

LONG ISLAND WATER CORPORATION

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM		1985	1984	1983	1982	1981	LINE NO
WATER OPERATING INCOME							
OPERATING REVENUES	$	22,395,080 $	21,101,766 $	20,522,055 $	18,299,886 $	16,138,396	1
OPERATION AND MAINTENANCE EXPENSES		7,903,629	7,369,012	7,066,784	6,291,550	5,806,889	2
DEPRECIATION		656,527	627,721	611,777	593,621	576,415	3
AMORTIZATION		-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES		8,599,434	7,854,526	7,546,702	6,520,319	5,970,950	5
INCOME TAXES		1,451,978	1,567,344	1,567,381	1,461,419	956,572	6
GAINS FROM DISP. OF UTILITY PLANT							7
LOSSES FROM DISP. OF UTILITY PLANT							8
TOTAL OPERATING EXPENSES		18,611,568	17,418,603	16,782,644	14,866,909	13,310,826	9
NET OPERATING REVENUES		3,783,492	3,683,163	3,739,411	3,432,977	2,827,570	10
INCOME FROM PLANT LEASED TO OTHERS		-	400	1,100	1,000	-	11
TOTAL WATER OPERATING INCOME		3,783,492	3,683,563	3,740,511	3,433,977	2,827,570	12
OTHER INCOME							
INCOME FROM MDSE, JOBBING+CONTRACT WORK		2,144	53	11,203		1,293	13
INCOME FROM NONUTILITY OPERATIONS		795	1,702	-		31,961	14
NONOPERATING RENTAL INCOME							15
INTEREST AND DIVIDEND INCOME		-	81	67	16,762	67	16
ALLOWANCE FOR CONSTRUCTION FUNDS		1,919	34,290	8,552	8,411	10,606	17
MISCELLANEOUS NONOPERATING INCOME		-	-	10,891	-	2	18
GAIN ON DISPOSITION OF PROPERTY		-	-	-	-		19
TOTAL OTHER INCOME		4,858	36,010	30,713	25,173	19,893	20
TOTAL INCOME		3,788,350	3,719,573	3,771,224	3,459,150	2,807,677	21
OTHER INCOME DEDUCTIONS							
LOSS ON DISPOSITION OF PROPERTY		-	-	-	-		22
MISCELLANEOUS AMORTIZATION		44,278	-	-	-		23
MISCELLANEOUS DEDUCTIONS		10,657	13,650	11,800	10,554	12,150	24
TAXES OTHER THAN INC TAXES-NONOPERATING		11,760	11,010	14,408	21,128	25,100	25
INCOME TAXES-NONOPERATING		17,275	908	7,050-	14,832-	53,391	26
TOTAL OTHER INCOME DEDUCTIONS		83,970	23,752	19,158	16,850	16,141	27
INCOME BEFORE INTEREST CHARGES		3,704,380	3,695,821	3,752,066	3,442,300	2,823,618	28
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		1,731,873	1,293,884	1,390,662	1,286,188	869,380	29
AMORT OF DEBT DISCOUNT EXPENSE		28,812	20,992	21,064	18,731	11,871	30
AMORT OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES		87,059-	136,357	40,573	4,872	267,956	32
OTHER INTEREST CHARGES		14,186	13,641	14,381	19,001	13,449	33
TOTAL INTEREST CHARGES		1,687,812	1,464,874	1,466,650	1,428,792	1,162,356	34
EXTRAORDINARY ITEMS							
EXTRAORDINARY INCOME		-	-	-		-	35
EXTRAORDINARY DEDUCTIONS		-	-	-			36
INCOME TAXES EXTRAORDINARY ITEMS		-	-	-			37
NET EXTRAORDINARY ITEMS		-		-		-	38
NET INCOME	$	2,016,568 $	2,230,947 $	2,285,416 $	2,113,508 $	1,661,463	39
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$	4,329,336 $	4,448,514 $	4,114,973 $	3,301,590 $	3,791,502	40
BALANCE TRANSFERRED FROM INCOME		2,016,568	2,230,947	2,285,416	2,113,508	1,661,463	41
APPROPRIATIONS OF RETAINED EARNINGS		-					42
DIVIDENDS DECLARED-PREFERRED STOCK		50,625	50,625	50,625	50,625	50,625	43
COMMON STOCK		2,133,000	2,299,500	1,901,750	1,849,500	1,600,750	44
ADJUSTMENTS TO RETAINED EARNINGS		-					45
UNAPPROPRIATED RETAINED EARNINGS END OF YR		4,162,279	4,329,336	4,448,514	4,114,973	3,301,590	46
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$	4,162,279 $	4,329,336 $	4,448,514 $	4,114,973 $	3,301,590	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	LINE NO
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	35.2	34.9	34.3	34.3	35.9	49
DEPRECIATION AND AMORTIZATION	2.9	2.9	2.9	3.2	3.5	50
INCOME TAXES	6.4	7.4	7.6	7.9	5.9	51
OTHER TAXES	38.3	37.2	36.7	35.6	36.9	52
TOTAL OPERATING EXPENSES	83.1	82.5	81.7	81.2	82.4	53
OPERATING INCOME	16.8	17.4	18.2	18.7	17.5	54
DEPRECIATION + AMORT % OF WATER PLANT	1.5	1.4	1.4	1.4	1.4	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	7.5	6.9	7.1	7.3	7.2	56
PRETAX INTEREST COVERAGE	3.1	3.6	3.6	3.1	3.2	57
NET INCOME - % OF OPERATING REVENUES	9.0	10.5	11.1	11.5	10.2	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	0.2	0.2	0.2	0.2	0.3	59
TIMES EARNED	39.8	44.1	45.1	41.7	32.8	60
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	9.5	10.8	9.2	10.1	9.7	61
PERCENT OF EARNINGS AVAILABLE FOR-COMMON	108.4	105.4	85.1	89.6	93.1	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	13.8	15.1	15.5	14.7	11.8	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	14.9	15.9	13.3	13.2	10.8	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

LONG ISLAND WATER CORPORATION

LINE NO	ITEM		1985		1984		1983		1982		1981
	FUNDS PROVIDED										
	INTERNAL SOURCES										
1	INCOME BEFORE EXTRAORDINARY ITEMS	$	2,018,568	$	2,230,947	$	2,285,416	$	2,113,508	$	1,661,463
	NON CASH CHARGES(CREDITS) TO INCOME										
2	DEPRECIATION, DEPLETION AND AMORTIZATION		685,339		648,713		632,831		701,228		704,987
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		160,032		338,505		145,881		232,898		48,350
4	INTEREST CAPITALIZED		1,919-		34,290-		8,552-		8,411-		10,606-
5	OTHER (NET)		25,348		172,928-		55,844		291,746-		
6											
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS		2,885,968		3,010,947		3,111,420		2,747,277		2,404,194
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES				-						
9	TOTAL FUNDS FROM INTERNAL SOURCES		2,885,968		3,010,947		3,111,420		2,747,277		2,404,194
10	LESS DIVIDENDS PREFERRED		50,625		50,625		50,625		50,625		50,625
11	COMMON		2,133,000		2,299,500		1,901,250		1,849,500		1,500,750
12	NET FUNDS FROM INTERNAL SOURCES		702,343		660,822		1,159,545		847,152		852,819
	EXTERNAL SOURCES										
13	LONG TERM DEBT		4,000,000		-				4,000,000		
14	PREFERRED STOCK		-		-				-		-
15	COMMON STOCK		-		-		-		-		-
16	NET INCREASE IN SHORT TERM DEBT		-		2,100,045		105,403		-		1,706,587
17	OTHER (NET)		-		226,927				-		1,430
18											
19	TOTAL FUNDS FROM EXTERNAL SOURCES		4,000,000		2,326,972		105,403		4,000,000		1,708,017
20	OTHER SOURCES (NET)		340,139		92,611-		17,970		125,123		231,732
21											
22											
23	TOTAL FUNDS PROVIDED	$	5,042,482	$	2,895,183	$	1,282,918	$	4,972,275	$	2,792,568
	FUNDS APPLIED										
	CONSTRUCTION EXPENDITURES										
	GROSS ADDITIONS										
24	WATER PLANT	$	1,449,346	$	1,318,460	$	1,083,491	$	1,278,839	$	1,136,271
25	NON-UTILITY PLANT				-						
26	OTHER				-						
27	TOTAL GROSS ADDITIONS		1,449,346		1,318,460		1,083,491		1,278,839		1,136,271
28	LESS INTEREST CAPITALIZED		1,919		34,290		8,552		8,411		10,606
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		1,447,427		1,284,170		1,074,939		1,270,428		1,125,665
	RETIREMENT OF DEBT AND SECURITIES										
30	LONG TERM DEBT		340,000		1,580,000		180,000		1,780,000		1,580,000
31	PREFERRED STOCK				-		-		-		
32	REDEMPTION OF CAPITAL STOCK				-		-		-		
33	NET DECREASE IN SHORT TERM DEBT		3,514,527		-		-		1,886,209		
34	OTHER (NET)		1,300,000		-		-		-		
35											
36	TOTAL RETIREMENT OF DEBT AND SECURITIES		2,554,527		1,580,000		180,000		3,666,209		1,580,000
37	OTHER USES (NET)		1,040,528		31,013		27,979		35,638		86,903
38											
39											
40	TOTAL FUNDS APPLIED	$	5,042,482	$	2,895,183	$	1,282,918	$	4,972,275	$	2,792,568

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

LONG ISLAND WATER CORPORATION

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 20,547,671	$ 19,369,833	$ 18,841,099	$ 16,772,401	$ 14,807,554	1
UNMETERED SALES TO GENERAL CUSTOMERS	5,828	3,333	8,357	2,264	4,439	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	1,778,254	1,670,165	1,623,042	1,473,986	1,272,298	4
TOTAL REVENUES FROM SALES OF WATER	22,331,753	21,043,331	20,472,498	18,248,651	16,084,291	5
OTHER WATER OPERATING REVENUES	63,307	58,435	49,557	51,235	54,105	6
TOTAL WATER OPERATING REVENUES	$ 22,395,060	$ 21,101,766	$ 20,522,055	$ 18,299,886	$ 16,138,396	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	9,438,764	9,339,926	9,466,051	8,922,026	9,205,797	8
UNMETERED SALES TO GENERAL CUSTOMERS	1,717	1,305	3,506	1,079	2,812	9
SALES TO OTHER WATER COMPANIES	-	-	-		-	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	9,440,481	9,341,231	9,469,557	8,923,105	9,208,609	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	71,202	70,929	70,883	70,593	70,457	13
UNMETERED SALES TO GENERAL CUSTOMERS	8	5	9	3	5	14
SALES TO OTHER WATER COMPANIES	-	-	-		-	15
OTHER SALES OF WATER	509	500	428	412	408	16
TOTAL CUSTOMERS	71,719	71,434	71,320	71,008	70,870	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG ANNUAL BILL PER CUSTOMER	$ 288.58	$ 273.08	$ 265.80	$ 237.59	$ 210.16	18
AVG CONSUMPTION PER CUSTOMER (T. GAL)	132.56	131.67	133.54	126.38	130.65	19
AVG REVENUE PER T. GALLONS SOLD (CENTS)	217.69	207.39	199.04	187.99	160.85	20
UNMETERED GENERAL CUSTOMERS						
AVG ANNUAL BILL PER CUSTOMER	$ 728.50	$ 666.60	$ 928.55	$ 754.66	$ 887.80	21
AVG CONSUMPTION PER CUSTOMER (T. GAL)	214.62	261.00	389.55	359.66	562.40	22
AVG REVENUE PER T GALLONS SOLD(CENTS)	339.43	255.40	238.36	209.82	157.86	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 82,143	$ 77,556	$ 81,540	$ 75,697	$ 64,432	24
POWER AND PUMPING EXPENSES	2,117,490	1,931,351	1,724,094	1,753,194	1,771,100	25
PURIFICATION EXPENSES	680,240	700,682	834,153	573,738	518,845	26
TRANSMISSION AND DISTRIBUTION EXPENSES	1,671,803	1,611,286	1,595,001	1,362,390	1,279,616	27
CUSTOMERS ACCT G+COLLECTING EXPENSES	1,396,334	1,283,318	1,248,990	1,100,268	997,345	28
ADMINISTRATIVE+GENERAL EXPENSES	1,955,619	1,764,817	1,575,006	1,425,963	1,175,551	29
TOTAL WATER OPERATION+MAINT EXPENSES	$ 7,903,629	$ 7,369,012	$ 7,058,784	$ 6,291,250	$ 5,806,889	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 42,067,975	$ 41,185,026	$ 39,851,742	$ 38,932,211	$ 37,891,384	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	468,820	13,586	254,780	237,768	122,236	33
PLANT HELD FOR FUTURE USE	110,933	110,933	110,933	110,933	110,933	34
PLANT ACQUISITION ADJUSTMENTS	841,280	885,557	885,557	885,557	885,557	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	43,489,008	42,195,102	41,103,012	40,166,469	39,010,110	38
ACCUM PROV FOR DEPR. AMORT., DEPLETION	13,226,724	12,581,639	11,983,083	11,408,172	10,856,103	39
NET WATER UTILITY PLANT	$ 30,262,284	$ 29,613,463	$ 29,119,929	$ 28,758,297	$ 28,154,007	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 41,185,026	$ 39,851,742	$ 38,932,211	$ 37,891,384	$ 37,006,213	41
ADDITIONS	990,851	1,467,770	1,055,450	1,164,003	1,101,498	42
RETIREMENTS	107,902	134,486	135,919	123,176	214,897	43
TRANSFERS AND ADJUSTMENTS	-	-	-		(1,430)	44
PLANT IN SERVICE END OF YEAR	$ 42,067,975	$ 41,185,026	$ 39,851,742	$ 38,932,211	$ 37,891,384	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

LONG ISLAND WATER CORPORATION

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 22,395,080	$ 21,101,786	$ 20,522,055	$ 18,299,886	$ 16,138,396
2	SALES (THOUSAND GALLONS)	9,440,481	9,341,231	9,469,557	8,923,105	9,208,609
	DOLLAR AMOUNTS					
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 1,682,401	$ 1,549,773	$ 1,533,075	$ 1,405,618	$ 1,461,676
4	WAGES AND BENEFITS	4,185,211	3,958,156	3,736,849	3,336,220	2,913,962
5	OTHER OPERATION AND MAINTENANCE EXPENSES	2,038,017	1,860,684	1,785,780	1,549,712	1,431,251
6	DEPRECIATION AND AMORTIZATION EXPENSES	656,527	627,721	611,777	593,621	576,415
7	INCOME TAXES - OPERATING	1,451,978	1,567,344	1,567,381	1,461,419	956,572
8	OTHER TAXES - OPERATING	8,599,434	7,854,528	7,546,702	6,520,319	5,970,950
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1,686,943	1,452,256	1,463,408	1,325,604	1,158,717
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	50,800	50,145	50,508	50,499	50,413
11	EARNINGS AVAILABLE FOR COMMON EQUITY	2,045,949	2,181,162	2,228,597	2,057,874	1,618,440
12	TOTAL	$ 22,395,080	$ 21,101,786	$ 20,522,055	$ 18,299,886	$ 16,138,396
	PERCENT OF REVENUES					
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	7.5	7.3	7.5	7.7	9.1
14	WAGES AND BENEFITS	18.7	18.8	18.2	18.2	18.1
15	OTHER OPERATION AND MAINTENANCE EXPENSES	9.1	8.8	8.7	8.5	8.9
16	DEPRECIATION AND AMORTIZATION EXPENSES	2.9	3.0	3.0	3.2	3.6
17	INCOME TAXES - OPERATING	6.5	7.4	7.6	8.0	5.9
18	OTHER TAXES - OPERATING	38.4	37.2	36.8	35.6	37.0
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.5	6.9	7.1	7.2	7.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.2	0.2	0.2	0.3	0.3
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.1	10.3	10.9	11.2	10.0
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	CENTS PER THOUSAND GALLONS SOLD					
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	17.82	16.59	16.19	15.75	15.87
24	WAGES AND BENEFITS	44.33	42.37	39.46	37.38	31.64
25	OTHER OPERATION AND MAINTENANCE EXPENSES	21.59	19.92	18.86	17.37	15.54
26	DEPRECIATION AND AMORTIZATION EXPENSES	6.95	6.72	6.46	6.65	6.26
27	INCOME TAXES - OPERATING	15.38	16.78	16.55	16.38	10.39
28	OTHER TAXES - OPERATING	91.09	84.08	79.69	73.07	64.84
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	17.87	15.55	15.45	14.86	12.58
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.54	0.54	0.53	0.57	0.55
31	EARNINGS AVAILABLE FOR COMMON EQUITY	21.67	23.35	23.51	23.06	17.58
32	TOTAL	237.22	225.90	216.72	205.08	175.25

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

NEW ROCHELLE WATER COMPANY, THE

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 28,928,743	$ 27,422,296	$ 26,051,953	$ 25,007,394	$ 24,062,785
2	ACCUMULATED PROVISION FOR DEPRE-AMORT	6,617,188	6,344,504	5,992,404	5,695,451	5,503,278
3	NET WATER PLANT	22,311,555	21,077,792	20,059,549	19,311,943	18,559,507
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-	-	-	-	-
8	CASH AND WORKING FUNDS	3,571,693	2,904,382	118,837	189,082	278,979
9	SPECIAL DEPOSITS	800	1,360	1,350	1,350	1,350
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	600,821	981,632	945,886	911,904	781,360
12	RECEIVABLES FROM ASSOCIATED COMPANIES	10,471	10,236	1,309,464	5,770	-
13	MATERIALS AND SUPPLIES	143,968	133,153	140,080	153,027	149,255
14	PREPAYMENTS	127,869	113,133	114,717	107,490	44,172
15	OTHER CURRENT AND ACCRUED ASSETS	1,919,871	1,592,897	1,450,277	1,405,766	1,191,975
16	TOTAL CURRENT AND ACCRUED ASSETS	6,375,493	5,337,382	4,080,611	2,774,389	2,447,091
17	UNAMORTIZED DEBT EXPENSE	-	-	-	-	-
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	10,880	-	-	-
20	CLEARING ACCOUNTS	575	19,930	9,181	7,635	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	436,661	921,202	435,303	506,861	481,436
23	TOTAL DEFERRED DEBITS	437,236	952,012	444,484	514,496	481,436
24	TOTAL ASSETS AND OTHER DEBITS	$ 29,124,284	$ 26,967,186	$ 24,584,644	$ 22,600,828	$ 21,488,034
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000
26	PREFERRED CAPITAL STOCK	30,600	30,600	30,600	975,000	975,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	9,003,497	9,003,497	9,003,497	9,350,697	9,350,697
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	14,477,857	13,074,548	11,328,005	9,593,372	8,475,329
34	REACQUIRED CAPITAL STOCK	-	-	-	1,291,225-	1,291,225-
35	TOTAL PROPRIETARY CAPITAL	23,561,954	22,158,645	20,412,102	18,677,844	17,559,801
36	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	-	-	-	-	-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	-	-	-	-	-
41	NOTES AND ACCOUNTS PAYABLE	697,119	605,593	311,508	238,288	346,854
42	PAYABLES TO ASSOCIATED COMPANIES	322,641	22,739	11,241	9,181	-
43	CUSTOMERS' DEPOSITS	24,056	23,984	23,580	28,511	31,084
44	TAXES ACCRUED	99,416	74,783	256,253	213,533	128,284
45	OTHER CURRENT AND ACCRUED LIABILITIES	627,340	684,211	874,475	848,360	497,716
46	TOTAL CURRENT AND ACCRUED LIABILITIES	1,770,572	1,411,320	1,477,057	1,337,873	1,003,938
47	CUSTOMER ADVANCES FOR CONSTRUCTION	783,963	643,784	234,236	269,333	913,567
48	ACCUM DEFERRED INVESTMENT TAX CREDITS	940,739	744,167	618,602	528,074	328,891
49	OTHER DEFERRED CREDITS	383-	9-	-	-	-
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORTIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	583,069	486,169	378,061	270,333	175,788
52	OTHER	201,014	239,734	181,230	234,015	222,693
53	TOTAL DEFERRED CREDITS	2,508,402	2,113,845	1,412,129	1,301,755	1,640,939
54	OPERATING RESERVES	1,283,356	1,283,356	1,283,356	1,283,356	1,283,356
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 29,124,284	$ 26,967,186	$ 24,584,644	$ 22,600,828	$ 21,488,034
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	WATER PLANT PER DOLLAR OF REVENUE	2.50	2.23	2.24	2.52	2.68
57	CURRENT ASSETS / CURRENT LIABILITIES	3.60	3.78	2.76	2.07	2.44
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	-	-	-	-	-
59	PREFERRED STOCK	0.1	0.1	0.1	5.2	5.5
60	COMMON STOCK + OTHER PAID-IN CAPITAL	38.4	40.8	44.3	43.4	46.1
61	RETAINED EARNINGS	61.4	59.0	55.4	51.3	48.2
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	-	-	-	-	-
63	PERCENT OF NET WATER PLANT	-	-	-	-	-
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	22.8	23.1	23.0	22.7	22.8

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

NEW ROCHELLE WATER COMPANY, THE

ITEM		1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT							
WATER OPERATING INCOME							
OPERATING REVENUES	$	11,267,561 $	11,667,066 $	11,416,082 $	9,743,045 $	8,790,930	1
OPERATION AND MAINTENANCE EXPENSES		4,385,033	4,393,564	4,207,870	4,035,613	3,853,985	2
DEPRECIATION		477,101	448,253	428,677	383,703	383,207	3
AMORTIZATION		-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES		3,018,001	2,855,266	2,762,862	2,348,905	2,387,504	5
INCOME TAXES		1,026,427	1,217,022	1,233,672	744,267	470,694	6
GAINS FROM DISP. OF UTILITY PLANT							7
LOSSES FROM DISP. OF UTILITY PLANT							8
TOTAL OPERATING EXPENSES		8,906,562	8,914,105	8,633,081	7,512,488	7,095,390	9
NET OPERATING REVENUES		2,360,999	2,752,961	2,783,001	2,230,557	1,695,540	10
INCOME FROM PLANT LEASED TO OTHERS		-	-	-	-	-	11
TOTAL WATER OPERATING INCOME		2,360,999	2,752,961	2,783,001	2,230,557	1,695,540	12
OTHER INCOME							
INCOME FROM MDSE, JOBBING+CONTRACT WORK		1,063	1,577-	2,683-	5,237	3,904	13
INCOME FROM NONUTILITY OPERATIONS		-	-	-	-	-	14
NONOPERATING RENTAL INCOME		-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME		-	-	-	-	257	16
ALLOWANCE FOR CONSTRUCTION FUNDS		2,473	-	51	1,090	1,727	17
MISCELLANEOUS NONOPERATING INCOME		4,440	22,220	2,612	5,899	971	18
GAIN ON DISPOSITION OF PROPERTY		-	-	-	-	-	19
TOTAL OTHER INCOME		7,976	20,643	20-	12,226	6,859	20
TOTAL INCOME		2,368,975	2,773,604	2,782,981	2,242,783	1,702,399	21
OTHER INCOME DEDUCTIONS							
LOSS ON DISPOSITION OF PROPERTY		-	-	-		-	22
MISCELLANEOUS AMORTIZATION		-	-	-		-	23
MISCELLANEOUS DEDUCTIONS		-	3,269	1,003	814	3,761	24
TAXES OTHER THAN INC TAXES-NONOPERATING		-	-	-			25
INCOME TAXES-NONOPERATING		18,850-	16,510-	16,584-	13,177	16,245-	26
TOTAL OTHER INCOME DEDUCTIONS		18,850-	13,241-	15,581-	13,991	12,484-	27
INCOME BEFORE INTEREST CHARGES		2,387,825	2,786,845	2,798,562	2,228,792	1,714,883	28
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		-	-	-	-	-	29
AMORT OF DEBT DISCOUNT EXPENSE		-	-	-	-	-	30
AMORT OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES		990,828	1,039,231	1,063,684	1,107,020	975,270	32
OTHER INTEREST CHARGES		6,312-	1,071	245	3,729	3,609	33
TOTAL INTEREST CHARGES		984,516	1,040,302	1,063,929	1,110,749	978,879	34
EXTRAORDINARY ITEMS							
EXTRAORDINARY INCOME		-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS		-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS		-	-	-	-	-	37
NET EXTRAORDINARY ITEMS		-	-	-	-	-	38
NET INCOME	$	1,403,309 $	1,746,543 $	1,734,633 $	1,118,043 $	736,004	39
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$	13,074,548 $	11,328,005 $	9,593,372 $	8,475,329 $	7,739,325	40
BALANCE TRANSFERRED FROM INCOME		1,403,309	1,746,543	1,734,633	1,118,043	736,004	41
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK		-	-	-	-	-	43
-COMMON STOCK		-	-	-	-	-	44
ADJUSTMENTS TO RETAINED EARNINGS		-	-	-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR		14,477,857	13,074,548	11,328,005	9,593,372	8,475,329	46
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$	14,477,857 $	13,074,548 $	11,328,005 $	9,593,372 $	8,475,329	48
SELECTED INCOME ACCOUNT RELATIONSHIPS							
PERCENT OF WATER OPERATING REVENUES							
OPERATION AND MAINTENANCE EXPENSES		38.9	37.6	36.8	41.4	43.8	49
DEPRECIATION AND AMORTIZATION		4.2	3.8	3.7	3.9	4.3	50
INCOME TAXES		9.1	10.4	10.8	7.6	5.3	51
OTHER TAXES		26.7	24.4	24.2	24.1	27.1	52
TOTAL OPERATING EXPENSES		79.0	76.4	75.6	77.1	80.7	53
OPERATING INCOME		20.9	23.5	24.3	22.9	19.2	54
DEPRECIATION + AMORT % OF WATER PLANT		1.6	1.6	1.6	1.5	1.5	55
INTEREST EXPENSE							
PERCENT OF OPERATING REVENUES		8.7	8.9	9.3	11.4	11.1	56
PRETAX INTEREST COVERAGE		3.4	3.8	3.8	2.7	2.2	57
NET INCOME - % OF OPERATING REVENUES		12.4	14.9	15.1	11.4	8.3	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK							
PERCENT OF OPERATING REVENUES		-	-	-	-	-	59
TIMES EARNED		-	-	-	-	-	60
DIVIDEND APPROPRIATIONS,COMMON STOCK							
PERCENT OF OPERATING REVENUES		-	-	-	-	-	61
PERCENT OF EARNINGS AVAILABLE FOR-COMMON		-	-	-	-	-	62
PERCENT OF AVERAGE COMMON EQUITY							
EARNINGS AVAILABLE FOR COMMON EQUITY		8.1	8.2	9.1	6.5	4.5	63
DIVIDEND APPROPRIATIONS, COMMON STOCK		-	-	-	-	-	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEW ROCHELLE WATER COMPANY, THE

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 1,403,309	$ 1,746,543	$ 1,734,633	$ 1,118,043	$ 736,304
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	693,071	617,211	674,106	574,723	612,116
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	274,732	292,197	145,471	305,050	70,451
4	INTEREST CAPITALIZED	-		51-	1,090-	1,727-
5	OTHER (NET)	-			-	
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	2,371,112	2,655,951	2,554,159	1,996,726	1,418,844
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	
9	TOTAL FUNDS FROM INTERNAL SOURCES	2,371,112	2,655,951	2,554,159	1,996,726	1,418,844
10	LESS DIVIDENDS: PREFERRED		-	-	-	
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	2,371,112	2,655,951	2,554,159	1,996,726	1,418,844
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-		-	-	
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	173,840	480,944	81,404	-	123,028
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	173,840	480,944	81,404	-	123,028
20	OTHER SOURCES (NET)	5,985-	-	-	6,637	6,677
21						
22						
23	TOTAL FUNDS PROVIDED	$ 2,538,967	$ 3,136,895	$ 2,635,563	$ 2,003,363	$ 1,548,549
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 1,704,879	$ 1,465,158	$ 1,202,509	$ 1,111,982	$ 1,227,407
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	1,704,879	1,465,158	1,202,509	1,111,982	1,227,407
28	LESS INTEREST CAPITALIZED	-	-	51	1,090	1,727
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,704,879	1,465,158	1,202,458	1,110,892	1,225,680
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	-	-		
31	PREFERRED STOCK	-	-	-		
32	REDEMPTION OF CAPITAL STOCK	-	-	-		
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	375	249,804	75
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	-	375	249,804	75
37	OTHER USES (NET)	834,088	1,671,737	1,432,730	642,667	322,794
38						
39						
40	TOTAL FUNDS APPLIED	$ 2,538,967	$ 3,136,895	$ 2,635,563	$ 2,003,363	$ 1,548,549

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NEW ROCHELLE WATER COMPANY, THE

ITEM		1985		1984		1983		1982		1981	LINE NO
WATER OPERATING REVENUES											
REVENUES											
METERED SALES TO GENERAL CUSTOMERS	$	10,037,983	$	10,509,491	$	10,387,393	$	8,752,697	$	7,892,559	1
UNMETERED SALES TO GENERAL CUSTOMERS		-		-		-		-		-	2
SALES TO OTHER WATER COMPANIES		116,094		108,932		81,993		78,796		84,440	3
OTHER SALES OF WATER		1,102,047		1,041,078		938,759		901,571		806,265	4
TOTAL REVENUES FROM SALES OF WATER		11,256,124		11,657,501		11,408,145		9,733,064		8,783,284	5
OTHER WATER OPERATING REVENUES		11,437		9,565		7,937		9,981		7,646	6
TOTAL WATER OPERATING REVENUES	$	11,267,561	$	11,667,066	$	11,416,082	$	9,743,045	$	8,790,930	7
WATER SALES(T GALLONS)											
METERED SALES TO GENERAL CUSTOMERS		5,267,319		5,923,095		5,994,587		5,619,057		5,579,337	8
UNMETERED SALES TO GENERAL CUSTOMERS		-		-		-		-		-	9
SALES TO OTHER WATER COMPANIES		106,869		104,490		81,429		92,071		95,775	10
OTHER SALES OF WATER		-		-		-		-		-	11
TOTAL SALES OF WATER		5,374,188		6,027,585		6,076,016		5,711,128		5,675,112	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)											
METERED SALES TO GENERAL CUSTOMERS		28,690		28,422		28,595		28,485		28,394	13
UNMETERED SALES TO GENERAL CUSTOMERS		-		-		-		-			14
SALES TO OTHER WATER COMPANIES		2		1		1		1		1	15
OTHER SALES OF WATER		391		314		314		314		312	16
TOTAL CUSTOMERS		29,083		28,737		28,910		28,800		28,707	17
WATER OPERATING REVENUE RELATIONSHIPS											
METERED GENERAL CUSTOMERS											
AVG. ANNUAL BILL PER CUSTOMER	$	349.87	$	369.76	$	363.25	$	307.27	$	277.96	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)		183.59		208.39		209.63		197.26		196.49	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)		190.57		177.43		173.28		155.77		141.46	20
UNMETERED GENERAL CUSTOMERS											
AVG. ANNUAL BILL PER CUSTOMER		-		-		-		-		-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)		-		-		-		-		-	22
AVG. REVENUE PER T GALLONS SOLD(CENTS)		-		-		-		-		-	23
WATER OPERATION AND MAINTENANCE EXPENSES											
SOURCE OF SUPPLY EXPENSES	$	779,657	$	897,564	$	894,291	$	846,841	$	915,627	24
POWER AND PUMPING EXPENSES		880,433		936,932		915,356		813,394		763,536	25
PURIFICATION EXPENSES		122,165		126,192		129,186		126,755		108,979	26
TRANSMISSION AND DISTRIBUTION EXPENSES		900,710		832,026		762,716		712,035		646,900	27
CUSTOMERS ACCT G+COLLECTING EXPENSES		499,078		489,654		476,844		485,495		485,719	28
ADMINISTRATIVE+GENERAL EXPENSES		1,222,989		1,111,196		1,029,477		1,050,893		935,624	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$	4,385,032	$	4,393,564	$	4,207,870	$	4,035,613	$	3,853,985	30
WATER UTILITY PLANT											
WATER UTILITY PLANT											
PLANT IN SERVICE	$	29,002,146	$	27,259,545	$	26,140,351	$	25,100,639	$	24,143,147	31
PLANT LEASED TO OTHERS						-		-		-	32
CONSTRUCTION WORK IN PROGRESS	-	17,443		253,597		2,448		7,649-		5,234	33
PLANT HELD FOR FUTURE USE						-		-		-	34
PLANT ACQUISITION ADJUSTMENTS						-		-		-	35
OTHER PLANT ADJUSTMENTS						-		-		-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS		90,846-		90,846-		90,846-		85,596-		85,596-	37
TOTAL WATER UTILITY PLANT		28,928,743		27,422,296		26,051,953		25,007,394		24,062,785	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION		6,617,188		6,344,504		5,992,404		5,696,451		5,503,278	39
NET WATER UTILITY PLANT	$	22,311,555	$	21,077,792	$	20,059,549	$	19,311,343	$	18,559,507	40
PLANT IN SERVICE BEGINNING OF YEAR	$	27,259,545	$	26,140,351	$	25,100,639	$	24,143,147	$	23,091,344	41
ADDITIONS		2,177,146		1,249,993		1,264,195		1,423,216		1,271,225	42
RETIREMENTS		198,432		94,815		160,838		173,191		169,158	43
TRANSFERS AND ADJUSTMENTS		236,113-		35,984-		33,645-		297,533-		50,264-	44
PLANT IN SERVICE END OF YEAR	$	29,002,146	$	27,259,545	$	26,140,351	$	25,100,639	$	24,143,147	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

NEW ROCHELLE WATER COMPANY, THE

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 11,267,561	$ 11,667,068	$ 11,416,082	$ 9,743,045	$ 8,790,930
2	SALES (THOUSAND GALLONS)	5,374,188	6,027,586	6,076,016	5,711,128	5,675,112
	DOLLAR AMOUNTS					
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 1,411,695	$ 1,577,997	$ 1,611,942	$ 1,495,228	$ 1,501,642
4	WAGES AND BENEFITS	1,741,927	1,716,672	1,580,896	250,145	1,368,055
5	OTHER OPERATION AND MAINTENANCE EXPENSES	1,231,410	1,098,895	1,015,037	2,290,240	984,288
6	DEPRECIATION AND AMORTIZATION EXPENSES	477,101	448,253	428,677	383,703	383,207
7	INCOME TAXES - OPERATING	1,026,427	1,217,022	1,233,672	744,267	470,694
8	OTHER TAXES - OPERATING	3,018,001	2,855,268	2,762,862	2,348,905	2,387,504
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	984,516	1,040,302	1,063,929	1,110,749	978,879
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	1,376,483	1,712,659	1,719,072	1,119,808	716,661
12	TOTAL	$ 11,267,561	$ 11,667,068	$ 11,416,082	$ 9,743,045	$ 8,790,930
	PERCENT OF REVENUES					
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	12.5	13.5	14.1	15.3	17.1
14	WAGES AND BENEFITS	15.5	14.7	13.8	2.6	15.6
15	OTHER OPERATION AND MAINTENANCE EXPENSES	10.9	9.4	8.9	23.5	11.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.2	3.8	3.8	3.9	4.4
17	INCOME TAXES - OPERATING	9.1	10.4	10.8	7.6	5.4
18	OTHER TAXES - OPERATING	26.8	24.5	24.2	24.1	27.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.7	8.9	9.3	11.4	11.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	12.2	14.7	15.1	11.5	8.2
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	CENTS PER THOUSAND GALLONS SOLD					
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	26.27	26.18	26.53	26.18	26.46
24	WAGES AND BENEFITS	32.41	28.48	26.02	4.38	24.11
25	OTHER OPERATION AND MAINTENANCE EXPENSES	22.91	18.23	16.71	40.10	17.34
26	DEPRECIATION AND AMORTIZATION EXPENSES	8.88	7.44	7.06	6.72	6.75
27	INCOME TAXES - OPERATING	19.10	20.19	20.30	13.03	8.29
28	OTHER TAXES - OPERATING	56.16	47.37	45.47	41.13	42.07
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	18.32	17.26	17.51	19.45	17.25
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	25.61	28.41	28.29	19.61	12.63
32	TOTAL	209.66	193.56	187.89	170.60	154.90

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

NEW YORK - AMERICAN WATER COMPANY, INC

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 10,032,169	$ 9,692,156	$ 9,237,469	$ 9,020,708	$ 8,462,765
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	2,936,541	2,812,423	2,707,619	2,591,558	2,493,384
3	NET WATER PLANT	7,095,628	6,879,733	6,529,850	6,429,150	5,969,381
4	OTHER PHYSICAL PROPERTY	239,001	239,001	239,001	239,001	239,001
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	239,001	239,001	239,001	239,001	239,001
8	CASH AND WORKING FUNDS	135,591	212,173-	245,841-	200	177,367
9	SPECIAL DEPOSITS	-	-	-	-	-
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	426,698	383,644	458,910	429,383	335,239
12	RECEIVABLES FROM ASSOCIATED COMPANIES	6,732	8,411	5,929	7,451	-
13	MATERIALS AND SUPPLIES	17,691	12,398	28,496	19,567	17,886
14	PREPAYMENTS	158,218	157,147	129,263	120,697	103,848
15	OTHER CURRENT AND ACCRUED ASSETS	689,775	641,607	586,994	450,085	434,079
16	TOTAL CURRENT AND ACCRUED ASSETS	1,434,705	989,034	963,751	1,023,383	1,068,399
17	UNAMORTIZED DEBT EXPENSE	71,369	22,630	26,116	29,926	34,142
18	EXTRAORDINARY-PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	179,371	370,710	307,882	635,776	300,963
23	TOTAL DEFERRED DEBITS	250,740	393,340	333,998	665,702	335,105
24	TOTAL ASSETS AND OTHER DEBITS	$ 9,020,074	$ 8,501,108	$ 8,066,600	$ 8,357,236	$ 7,611,886
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 1,685,000	$ 1,685,000	$ 1,685,000	$ 1,685,000	$ 1,685,000
26	PREFERRED CAPITAL STOCK	1,000,000	1,000,000	1,000,000	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	9,774-	10,558-	11,141-	-	-
33	RETAINED EARNINGS	801,230	768,482	820,763	419,621	601,263
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	3,476,456	3,442,926	3,494,622	2,104,621	2,286,263
36	BONDS (LESS BONDS REACQUIRED)	3,772,000	1,335,000	1,398,000	1,461,000	2,766,000
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	-	-	-	-	-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	3,772,000	1,335,000	1,398,000	1,461,000	2,766,000
41	NOTES AND ACCOUNTS PAYABLE	132,361	2,159,312	1,638,343	2,786,289	1,765,653
42	PAYABLES TO ASSOCIATED COMPANIES	123,381	93,519	108,208	84,854	87,397
43	CUSTOMERS' DEPOSITS	-	-	-	-	-
44	TAXES ACCRUED	42,337	114,232	79,615	122,928	141,686-
45	OTHER CURRENT AND ACCRUED LIABILITIES	193,476	134,549	120,296	421,032	143,850
46	TOTAL CURRENT AND ACCRUED LIABILITIES	491,555	2,501,612	1,946,462	3,415,103	1,855,214
47	CUSTOMER ADVANCES FOR CONSTRUCTION	881,716	798,779	866,232	946,177	529,009
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	128,232	98,540	64,255	-	36,274
49	OTHER DEFERRED CREDITS	7,361	7,411	24,250	35,689	-
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORTIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	196,633	155,522	-	-	1,200
52	OTHER	66,121	159,316	-	-	137,926
53	TOTAL DEFERRED CREDITS	1,280,063	1,221,568	954,737	981,866	704,409
54	OPERATING RESERVES	-	-	272,779	394,646	
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 9,020,074	$ 8,501,106	$ 8,066,600	$ 8,357,236	$ 7,611,886

SELECTED BALANCE SHEET RELATIONSHIPS

LINE NO.	ITEM	1985	1984	1983	1982	1981
56	WATER PLANT PER DOLLAR OF REVENUE	1.75	1.78	1.82	2.17	2.41
57	CURRENT ASSETS / CURRENT LIABILITIES	2.92	0.40	0.50	0.30	0.58
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	52.0	27.9	28.5	40.9	54.7
59	PREFERRED STOCK	13.7	20.9	20.4	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	23.1	35.0	34.2	47.2	33.3
61	RETAINED EARNINGS	11.0	16.0	16.7	11.7	11.9
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	37.5	13.7	15.1	16.1	32.6
63	PERCENT OF NET WATER PLANT	53.1	19.4	21.4	22.7	46.3
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	29.2	29.0	29.3	28.7	29.4

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

NEW YORK - AMERICAN WATER COMPANY, INC.

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM	1985	1984	1983	1982	1981	LINE NO.
WATER OPERATING INCOME						
OPERATING REVENUES	$ 5,636,139	$ 5,312,464	$ 5,016,094	$ 4,034,813	$ 2,983,665	1
OPERATION AND MAINTENANCE EXPENSES	2,913,225	2,779,519	2,634,506	2,401,958	2,154,477	2
DEPRECIATION	153,555	144,627	137,264	132,020	128,349	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	1,363,262	1,250,697	1,201,823	1,014,310	922,327	5
INCOME TAXES	265,886	268,783	13,171	205,994	(368,341)	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	4,695,928	4,443,626	3,986,504	3,754,282	2,836,812	9
NET OPERATING REVENUES	940,211	868,838	1,029,590	280,531	146,853	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	940,211	868,838	1,029,590	280,531	146,853	12
OTHER INCOME						
INCOME FROM MDSE., JOBBING-CONTRACT WORK	322	488	1,628	789	380	13
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	57,900	14
NONOPERATING RENTAL INCOME	54,544	51,887	49,834	66,500	-	15
INTEREST AND DIVIDEND INCOME	19,231	-	500	-		16
ALLOWANCE FOR CONSTRUCTION FUNDS	-	1,416	-	-		17
MISCELLANEOUS NONOPERATING INCOME	747	(37)	108	-		18
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-		19
TOTAL OTHER INCOME	74,844	53,754	52,070	67,289	58,880	20
TOTAL INCOME	1,015,055	922,592	1,081,660	347,820	205,733	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-		22
MISCELLANEOUS AMORTIZATION	6,147	6,153	5,749	5,965	-	23
MISCELLANEOUS DEDUCTIONS	575	500	300	-	1,841	24
TAXES OTHER THAN INC TAXES-NONOPERATING	-	-	9,192	19,379	18,110	25
INCOME TAXES-NONOPERATING	33,994	24,252	4,425	20,494	19,489	26
TOTAL OTHER INCOME DEDUCTIONS	40,716	30,905	19,666	45,838	39,440	27
INCOME BEFORE INTEREST CHARGES	974,339	891,687	1,061,994	301,982	166,293	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	463,256	124,208	239,765	146,190	206,689	29
AMORT. OF DEBT DISCOUNT EXPENSE	13,993	3,486	3,810	4,216	5,449	30
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	32
OTHER INTEREST CHARGES	14,642	226,552	205,456	390,910	253,285	33
TOTAL INTEREST CHARGES	491,891	354,246	449,031	541,316	465,423	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-				35
EXTRAORDINARY DEDUCTIONS	-	-				36
INCOME TAXES EXTRAORDINARY ITEMS	-	-				37
NET EXTRAORDINARY ITEMS	-	-				38
NET INCOME	$ 482,448	$ 537,441	$ 612,963	$ (239,334)	$ (299,130)	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 768,482	$ 820,763	$ 419,621	$ 601,264	900,391	40
BALANCE TRANSFERRED FROM INCOME	482,448	537,442	612,963	(239,334)	(299,130)	41
APPROPRIATIONS OF RETAINED EARNINGS					-	42
DIVIDENDS DECLARED-PREFERRED STOCK	125,000	125,000	21,875		-	43
-COMMON STOCK	324,700	464,723	20,894		-	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	(169,052)	57,693		45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	801,230	768,482	820,763	419,623	601,261	46
APPROPRIATED RETAINED EARNINGS	-	-				47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 801,230	$ 768,482	$ 820,763	$ 419,623	$ 601,261	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	LINE NO.
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	51.6	52.3	52.5	59.5	72.2	49
DEPRECIATION AND AMORTIZATION	2.7	2.7	2.7	3.2	4.3	50
INCOME TAXES	4.7	5.0	0.2	5.1	(12.3)	51
OTHER TAXES	24.1	23.5	23.9	25.1	30.9	52
TOTAL OPERATING EXPENSES	83.3	83.6	79.4	93.0	95.0	53
OPERATING INCOME	16.6	16.3	20.5	6.9	4.9	54
DEPRECIATION + AMORT. % OF WATER PLANT	1.9	1.8	1.4	1.6	1.5	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	8.7	6.7	8.9	13.4	15.5	56
PRETAX INTEREST COVERAGE	2.6	3.3	2.4	.9	(.3)	57
NET INCOME - % OF OPERATING REVENUES	8.5	10.1	12.2	(5.9)	(10.0)	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	2.2	2.3	0.4		-	59
TIMES EARNED	3.9	4.3	28.0		-	60
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	5.7	8.7	0.4			61
PERCENT OF EARNINGS AVAILABLE FOR COMMON	90.8	112.6	3.5			62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	14.5	16.7	26.1		-	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	13.7	18.8	0.9		-	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEW YORK - AMERICAN WATER COMPANY, INC

LINE NO	ITEM		1985		1984		1983		1982		1981
	FUNDS PROVIDED										
	INTERNAL SOURCES										
1	INCOME BEFORE EXTRAORDINARY ITEMS	$	482,448	$	537,447	$	812,963	$	239,034-	$	299,130-
	NON CASH CHARGES(CREDITS) TO INCOME										
2	DEPRECIATION, DEPLETION AND AMORTIZATION		398,205		334,980		349,517		354,265		203,211
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		3,397-		77,344		50,872		205,953		81,465
4	INTEREST CAPITALIZED		-		1,416-		-				
5	OTHER (NET)		7		60		7,186		-		
6											
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS		877,263		948,410		1,220,538		321,184		14,447-
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES				-		369,052-				
9	TOTAL FUNDS FROM INTERNAL SOURCES		877,263		948,410		851,486		321,184		14,447-
10	LESS DIVIDENDS: PREFERRED		125,000		125,000		42,769		-		
11	COMMON		324,700		464,723		-		-		
12	NET FUNDS FROM INTERNAL SOURCES		427,563		358,687		808,717		321,184		14,447-
	EXTERNAL SOURCES										
13	LONG TERM DEBT		2,500,000		-		-		-		
14	PREFERRED STOCK		-		-		1,000,000		-		
15	COMMON STOCK		-		-		-		-		
16	NET INCREASE IN SHORT TERM DEBT		-		-		-		885,000		700,000
17	OTHER (NET)		60,264		490,000		-		417,168		4,458
18											
19	TOTAL FUNDS FROM EXTERNAL SOURCES		2,560,264		490,000		1,000,000		1,302,168		704,458
20	OTHER SOURCES (NET)		-		39,871		4,363		-		
21											
22											
23	TOTAL FUNDS PROVIDED	$	2,987,827	$	888,558	$	1,813,080	$	1,623,352	$	690,011
	FUNDS APPLIED										
	CONSTRUCTION EXPENDITURES										
	GROSS ADDITIONS										
24	WATER PLANT	$	373,141	$	493,178	$	248,147	$	106,697	$	178,347
25	NON-UTILITY PLANT		-		-						
26	OTHER		-		-						
27	TOTAL GROSS ADDITIONS		373,141		493,178		248,147		106,697		178,347
28	LESS INTEREST CAPITALIZED		-		1,416						
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		373,141		491,762		248,147		106,697		178,347
	RETIREMENT OF DEBT AND SECURITIES										
30	LONG TERM DEBT		63,000		63,000		63,000		63,000		79,300
31	PREFERRED STOCK		-		-						
32	REDEMPTION OF CAPITAL STOCK		-		-						
33	NET DECREASE IN SHORT TERM DEBT		2,048,000		-		1,077,000				-
34	OTHER (NET)		75,000		66,453		79,380				
35											
36	TOTAL RETIREMENT OF DEBT AND SECURITIES		2,186,000		129,453		1,219,380		63,000		79,300
37	OTHER USES (NET)		428,686		267,343		345,553		1,453,655		432,364
38											
39											
40	TOTAL FUNDS APPLIED	$	2,987,827	$	888,558	$	1,813,080	$	1,623,352	$	690,011

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NEW YORK - AMERICAN WATER COMPANY, INC

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 4,880,699	$ 4,666,142	$ 4,383,129	$ 3,507,160	$ 2,599,260	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	-	-	-	4,868	-	3
OTHER SALES OF WATER	753,012	641,949	625,980	522,229	384,380	4
TOTAL REVENUES FROM SALES OF WATER	5,633,711	5,308,091	5,009,109	4,034,257	2,983,640	5
OTHER WATER OPERATING REVENUES	2,428	4,373	6,985	556	25	6
TOTAL WATER OPERATING REVENUES	$ 5,636,139	$ 5,312,464	$ 5,016,094	$ 4,034,813	$ 2,983,665	7
WATER SALES(1 GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	1,504,829	1,542,077	1,551,771	1,385,167	384,552	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	104,604	91,753	101,202	96,676	51,727	11
TOTAL SALES OF WATER	1,609,433	1,633,830	1,652,973	1,481,843	436,279	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	10,567	10,444	10,274	10,274	10,322	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	274	275	245	245	236	16
TOTAL CUSTOMERS	10,841	10,719	10,519	10,519	10,558	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG ANNUAL BILL PER CUSTOMER	$ 461.88	$ 446.77	$ 426.62	$ 341.36	$ 251.81	18
AVG CONSUMPTION PER CUSTOMER (1 GAL)	142.40	147.65	151.53	134.82	37.26	19
AVG REVENUE PER 1 GALLONS SOLD (CENTS)	324.34	302.59	282.46	253.19	[illegible]	20
UNMETERED GENERAL CUSTOMERS						
AVG ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG CONSUMPTION PER CUSTOMER (1 GAL)	-	-	-	-	-	22
AVG REVENUE PER 1 GALLONS SOLD(CENTS)	-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 1,357,428	$ 1,283,864	$ 1,228,348	$ 1,243,763	$ 397,664	24
POWER AND PUMPING EXPENSES	18,909	13,111	22,281	5,508	4,305	25
PURIFICATION EXPENSES	11,751	4,005	2,602	3,362	3,141	26
TRANSMISSION AND DISTRIBUTION EXPENSES	527,777	637,758	509,971	424,328	451,336	27
CUSTOMERS ACCT & COLLECTING EXPENSES	219,248	204,491	223,747	138,115	186,364	28
ADMINISTRATIVE&GENERAL EXPENSES	778,114	736,212	647,561	617,212	510,778	29
TOTAL WATER OPERATION-MAINT. EXPENSES	$ 2,913,226	$ 2,879,519	$ 2,634,506	$ 2,431,958	$ 1,554,477	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 9,919,530	$ 9,560,544	$ 9,110,143	$ 8,870,753	$ 8,306,710	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	80,450	34,365	84,409	121,873	47,458	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	37,189	37,557	42,918	46,282	53,647	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND - LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	10,037,169	9,632,466	9,237,470	9,038,908	8,407,795	38
ACCUM PROV FOR DEPR. AMORT. DEPLETION	2,936,541	2,812,473	2,717,619	2,609,968	2,433,384	39
NET WATER UTILITY PLANT	$ 7,095,628	$ 6,819,733	$ 6,519,851	$ 6,429,740	$ 5,969,581	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 9,560,544	$ 9,110,143	$ 8,870,753	$ 8,306,710	$ 8,258,758	41
ADDITIONS	386,751	483,526	265,436	597,334	111,289	42
RETIREMENTS	27,765	33,125	26,115	33,291	63,337	43
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 9,919,530	$ 9,560,544	$ 9,110,143	$ 8,870,753	$ 8,306,710	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

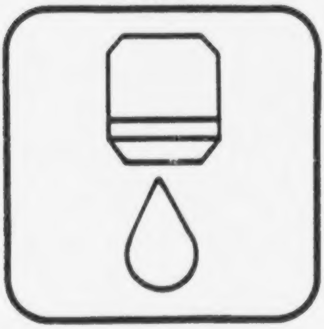
DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

NEW YORK - AMERICAN WATER COMPANY, INC.

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 5,636,139	$ 5,312,464	$ 5,016,094	$ 4,034,813	$ 2,983,065
2	SALES (THOUSAND GALLONS)	1,609,433	1,633,830	1,652,973	1,481,843	1,435,279
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 1,373,880	$ 1,295,329	$ 1,248,253	$ 1,056,519	$ 909,461
4	WAGES AND BENEFITS	850,412	767,907	754,507	580,966	611,179
5	OTHER OPERATION AND MAINTENANCE EXPENSES	688,933	716,283	631,546	764,473	632,637
6	DEPRECIATION AND AMORTIZATION EXPENSES	153,555	144,627	137,054	132,020	128,349
7	INCOME TAXES - OPERATING	265,686	268,783	13,121	205,994	368,541-
8	OTHER TAXES - OPERATING	1,363,282	1,250,937	1,201,823	1,014,310	922,327
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	491,891	354,344	439,331	541,016	466,423
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	125,000	124,796	21,875	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	323,320	389,398	568,584	260,485-	318,870-
12	TOTAL	$ 5,636,139	$ 5,312,464	$ 5,016,094	$ 4,034,813	$ 2,983,065
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	24.4	24.4	24.9	26.2	30.5
14	WAGES AND BENEFITS	15.1	14.5	15.0	14.4	20.5
15	OTHER OPERATION AND MAINTENANCE EXPENSES	12.2	13.5	12.6	18.9	21.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	2.7	2.7	2.7	3.3	4.3
17	INCOME TAXES - OPERATING	4.7	5.1	0.3	5.1	12.4-
18	OTHER TAXES - OPERATING	24.2	23.5	24.0	25.1	30.9
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.7	6.7	8.8	13.4	15.6
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	2.2	2.3	0.4	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	5.7	7.3	11.3	6.4-	10.7-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	85.36	79.28	75.52	71.30	63.36
24	WAGES AND BENEFITS	52.84	47.00	45.65	39.21	42.58
25	OTHER OPERATION AND MAINTENANCE EXPENSES	42.81	43.84	38.21	51.59	44.08
26	DEPRECIATION AND AMORTIZATION EXPENSES	9.54	8.85	8.29	8.91	8.94
27	INCOME TAXES - OPERATING	16.52	16.45	.79	13.90	25.67-
28	OTHER TAXES - OPERATING	84.70	76.55	72.71	68.45	64.26
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	30.56	21.67	26.58	36.51	32.45
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	7.77	7.64	1.32		
31	EARNINGS AVAILABLE FOR COMMON EQUITY	20.09	23.87	34.40	17.57-	22.22-
32	TOTAL	350.19	325.15	303.46	272.28	207.84

WATER



MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

NEW YORK WATER SERVICE CORP

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 25,774,484	$ 24,817,632	$ 22,673,448	$ 21,840,920	$ 20,141,199
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	6,608,207	6,319,968	6,047,524	5,764,439	5,400,258
3	NET WATER PLANT	19,166,277	18,497,664	16,625,924	16,076,481	14,740,941
4	OTHER PHYSICAL PROPERTY	3,035	3,075	3,115	3,155	2,822
5	INVESTMENTS IN ASSOCIATED COMPANIES	21,003,597	19,753,202	18,728,237	18,989,118	18,521,103
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	21,006,632	19,756,277	18,731,352	18,992,273	18,523,925
8	CASH AND WORKING FUNDS	207,168	433,800	329,775	315,526	412,928
9	SPECIAL DEPOSITS	250	250	47,179	92,983	107,692
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	1,322,773	1,263,846	1,352,265	1,078,356	770,177
12	RECEIVABLES FROM ASSOCIATED COMPANIES	2,569,425	2,504,040	1,502,340	1,284,939	633,429
13	MATERIALS AND SUPPLIES	228,270	211,499	209,887	154,541	145,325
14	PREPAYMENTS	208,531	64,397	20,886	82,302	57,401
15	OTHER CURRENT AND ACCRUED ASSETS	177,435	33,260	1,867	157,582	191,610
16	TOTAL CURRENT AND ACCRUED ASSETS	4,713,852	4,511,092	3,464,199	3,166,231	2,318,562
17	UNAMORTIZED DEBT EXPENSE	-	-	49,290	105,476	127,056
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-		-	-
20	CLEARING ACCOUNTS	-	-	182-	-	
21	ACCUMULATED DEFERRED INCOME TAXES	-	-		-	-
22	OTHER DEFERRED DEBITS	197,789	80,406	225,625	94,058	53,627
23	TOTAL DEFERRED DEBITS	197,789	80,406	274,733	199,534	180,683
24	TOTAL ASSETS AND OTHER DEBITS	$ 45,084,550	$ 42,845,439	$ 39,096,208	$ 38,434,519	$ 35,764,111
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 3,674,470	$ 3,674,470	$ 3,674,470	$ 3,674,470	$ 3,674,470
26	PREFERRED CAPITAL STOCK	-	-			-
27	STOCK LIABILITY FOR CONVERSION	-	-	-		-
28	PREMIUM ON CAPITAL STOCK	2,012,224	2,012,224	2,012,224	2,012,224	2,012,224
29	CAPITAL STOCK SUBSCRIBED	-	-			-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-		-
31	OTHER PAID-IN CAPITAL	27,367-	27,367-	27,367-	27,367-	27,367-
32	CAPITAL STOCK EXPENSE	-	-		-	-
33	RETAINED EARNINGS	26,549,543	24,697,663	21,857,124	19,574,202	18,040,359
34	REACQUIRED CAPITAL STOCK	-	-		-	-
35	TOTAL PROPRIETARY CAPITAL	32,208,870	30,356,990	27,516,451	25,233,529	23,699,686
36	BONDS (LESS BONDS REACQUIRED)	-	5,050,000	5,100,000	5,300,000	5,500,000
37	ADVANCES FROM ASSOCIATED COMPANIES	5,050,000	-	-	-	-
38	OTHER LONG TERM DEBT	-		-	-	-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	5,050,000	5,050,000	5,100,000	5,300,000	5,500,000
41	NOTES AND ACCOUNTS PAYABLE	170,099	100,331	184,186	424,071	3,209
42	PAYABLES TO ASSOCIATED COMPANIES	4,059,199	4,009,139	2,959,199	4,427,132	2,509,754
43	CUSTOMERS' DEPOSITS	346,748	347,768	338,919	339,352	344,917
44	TAXES ACCRUED	1,685,826	1,117,174	1,117,681	1,164,603	1,103,669
45	OTHER CURRENT AND ACCRUED LIABILITIES	650,751	1,288,258	1,268,713	995,084	680,798
46	TOTAL CURRENT AND ACCRUED LIABILITIES	6,912,623	6,862,730	5,868,698	7,350,242	4,642,347
47	CUSTOMER ADVANCES FOR CONSTRUCTION	368,961	274,803	249,644	323,811	333,929
48	ACCUM DEFERRED INVESTMENT TAX CREDITS	-	-	-	-	-
49	OTHER DEFERRED CREDITS	381,159	175,394	166,575	142,990	121,340
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-		-
51	LIBERALIZED DEPRECIATION	-	-			-
52	OTHER	30,215	-	97,416		-
53	TOTAL DEFERRED CREDITS	780,335	450,197	513,635	466,801	455,269
54	OPERATING RESERVES	132,722	125,522	97,424	83,947	1,466,809
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 45,084,550	$ 42,845,439	$ 39,096,208	$ 38,434,519	$ 35,764,111
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	WATER PLANT PER DOLLAR OF REVENUE	2.29	2.23	2.20	2.21	2.40
57	CURRENT ASSETS / CURRENT LIABILITIES	0.68	0.66	0.59	0.43	0.50
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	13.5	14.2	15.6	17.3	18.8
59	PREFERRED STOCK	-	-	-	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	15.1	15.9	17.3	18.5	19.3
61	RETAINED EARNINGS	71.2	69.7	67.0	64.1	61.7
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	19.5	20.3	22.4	24.2	27.3
63	PERCENT OF NET WATER PLANT	26.3	27.3	30.6	32.9	37.3
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	25.6	25.4	26.6	26.3	26.8

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

NEW YORK WATER SERVICE CORP

ITEM	1985	1984	1983	1982	1981	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT						
WATER OPERATING INCOME						
OPERATING REVENUES $	11,036,203 $	10,655,989 $	10,114,104 $	9,515,623 $	8,300,410	1
OPERATION AND MAINTENANCE EXPENSES	5,119,747	4,651,193	4,596,168	4,287,868	3,846,165	2
DEPRECIATION	496,907	441,455	391,353	366,021	350,762	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	3,119,985	3,152,149	2,858,303	2,551,033	2,246,082	5
INCOME TAXES	-	-	-	-	-	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	8,736,639	8,244,797	7,845,824	7,204,922	6,443,009	9
NET OPERATING REVENUES	2,299,564	2,411,192	2,268,280	2,310,701	1,857,401	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	2,299,564	2,411,192	2,268,280	2,310,701	1,857,401	12
OTHER INCOME						
INCOME FROM MDSE, JOBBING-CONTRACT WORK	18,780-	30,064-	15,720-	4,569-	4,343-	13
INCOME FROM NONUTILITY OPERATIONS	810,804-	678,783-	670,853-	1,494,154-	410,720-	14
NONOPERATING RENTAL INCOME	-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME	211,506-	431,987	-	660	30,278	16
ALLOWANCE FOR CONSTRUCTION FUNDS	84,458	-	-	-	-	17
MISCELLANEOUS NONOPERATING INCOME	1,459,109	1,449,964	1,458,807	1,555,970	1,787,488	18
GAIN ON DISPOSITION OF PROPERTY	190	253	1,616	125	-	19
TOTAL OTHER INCOME	502,667	1,173,357	773,850	58,032	1,402,703	20
TOTAL INCOME	2,802,231	3,584,549	3,042,130	2,368,733	3,260,104	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION	4,392	4,392	4,392	4,392	-	23
MISCELLANEOUS DEDUCTIONS	-	-	-	26,275	-	24
TAXES OTHER THAN INC TAXES-NONOPERATING	-	-	-	-	-	25
INCOME TAXES-NONOPERATING	160,644	-	-	-	-	26
TOTAL OTHER INCOME DEDUCTIONS	165,036	4,392	4,392	30,667	-	27
INCOME BEFORE INTEREST CHARGES	2,637,195	3,580,157	3,037,738	2,338,066	3,260,104	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	-	226,880	640,981	667,557	692,363	29
AMORT OF DEBT DISCOUNT EXPENSE	21,557	49,290	68,942	57,600	56,472	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	727,512	420,561	-	-	-	32
OTHER INTEREST CHARGES	36,246	42,887	44,893	79,066	68,686	33
TOTAL INTEREST CHARGES	785,315	739,618	754,816	804,223	817,521	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS	-	-	-	-	-	37
NET EXTRAORDINARY ITEMS	-	-	-	-	-	38
NET INCOME $	1,851,880 $	2,840,539 $	2,282,922 $	1,533,843 $	2,442,583	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR$	24,697,663 $	21,857,124 $	19,574,202 $	18,040,359 $	15,197,776	40
BALANCE TRANSFERRED FROM INCOME	1,851,880	2,840,539	2,282,922	1,533,843	2,442,583	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	43
-COMMON STOCK	-	-	-	-	-	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	400,000	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	26,549,543	24,697,663	21,857,124	19,574,202	18,040,359	46
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR $	26,549,543 $	24,697,663 $	21,857,124 $	19,574,202 $	18,040,359	48
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	46.3	43.6	45.4	45.0	46.3	49
DEPRECIATION AND AMORTIZATION	4.5	4.1	3.8	3.8	4.2	50
INCOME TAXES	-	-	-	-	-	51
OTHER TAXES	28.2	29.5	28.2	26.8	27.0	52
TOTAL OPERATING EXPENSES	79.1	77.3	77.5	75.7	77.6	53
OPERATING INCOME	20.8	22.6	22.4	24.2	22.3	54
DEPRECIATION + AMORT % OF WATER PLANT	1.9	1.7	1.7	1.6	1.7	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	7.1	6.9	7.5	8.5	9.8	56
PRETAX INTEREST COVERAGE	3.6	4.8	4.0	2.9	4.0	57
NET INCOME - % OF OPERATING REVENUES	16.7	26.6	22.5	16.1	29.4	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	59
TIMES EARNED	-	-	-	-	-	60
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	61
PERCENT OF EARNINGS AVAILABLE FOR-COMMON	-	-	-	-	-	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	5.9	9.8	8.6	6.2	10.9	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	64

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MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEW YORK WATER SERVICE CORP

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 1,851,880	$ 2,840,539	$ 2,282,922	$ 1,548,476	$ 2,442,583
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	505,207	450,814	401,048	375,717	360,457
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	-	-	-	-	
4	INTEREST CAPITALIZED	84,458-		-	-	
5	OTHER (NET)	232,710	37,014	157,721	47,099	442,716
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	2,505,339	3,328,367	2,841,691	1,971,292	3,245,756
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-		-		
9	TOTAL FUNDS FROM INTERNAL SOURCES	2,505,339	3,328,367	2,841,691	1,971,292	3,245,756
10	LESS DIVIDENDS PREFERRED			-		
11	COMMON	-				
12	NET FUNDS FROM INTERNAL SOURCES	2,505,339	3,328,367	2,841,691	1,971,292	3,245,756
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-		-	-	
14	PREFERRED STOCK			-	-	
15	COMMON STOCK		-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	
20	OTHER SOURCES (NET)	330,138	228,487	457,861	500,468	30,701
21						
22						
23	TOTAL FUNDS PROVIDED	$ 2,835,477	$ 3,556,854	$ 3,299,552	$ 2,471,760	$ 3,276,457
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 1,399,290	$ 2,331,430	$ 1,094,695	$ 1,708,026	$ 495,052
25	NON-UTILITY PLANT	-	-		374	352
26	OTHER	-	-	-		
27	TOTAL GROSS ADDITIONS	1,399,290	2,331,430	1,094,695	1,708,400	495,404
28	LESS INTEREST CAPITALIZED	84,458	-	-		
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,314,832	2,331,430	1,094,695	1,708,400	495,404
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	50,000	200,000	200,000	200,000
31	PREFERRED STOCK	-	-	-	-	
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	50,000	200,000	200,000	200,000
37	OTHER USES (NET)	1,520,645	1,175,424	2,004,857	563,360	2,581,053
38						
39						
40	TOTAL FUNDS APPLIED	$ 2,835,477	$ 3,556,854	$ 3,299,552	$ 2,471,760	$ 3,276,457

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NEW YORK WATER SERVICE CORP

ITEM		1985		1984		1983		1982		1981	LINE NO.
WATER OPERATING REVENUES											
REVENUES											
METERED SALES TO GENERAL CUSTOMERS	$	10,131,010	$	9,827,736	$	9,277,983	$	8,718,715	$	7,602,207	1
UNMETERED SALES TO GENERAL CUSTOMERS		-		-		-		-		-	2
SALES TO OTHER WATER COMPANIES		-		-		-		-		-	3
OTHER SALES OF WATER		901,698		822,439		832,670		790,924		692,717	4
TOTAL REVENUES FROM SALES OF WATER		11,032,708		10,650,175		10,110,653		9,509,639		8,294,924	5
OTHER WATER OPERATING REVENUES		3,495		5,814		3,451		5,984		5,485	6
TOTAL WATER OPERATING REVENUES	$	11,036,203	$	10,655,989	$	10,114,104	$	9,515,623	$	8,300,409	7
WATER SALES(T GALLONS)											
METERED SALES TO GENERAL CUSTOMERS		4,680,877		4,615,972		4,798,698		4,589,028		5,205,400	8
UNMETERED SALES TO GENERAL CUSTOMERS		-		-		-		-		-	9
SALES TO OTHER WATER COMPANIES		-		-		-		-		-	10
OTHER SALES OF WATER		-		-		-		-		-	11
TOTAL SALES OF WATER		4,680,877		4,615,972		4,798,698		4,589,028		5,205,400	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)											
METERED SALES TO GENERAL CUSTOMERS		43,432		43,225		43,063		43,041		43,081	13
UNMETERED SALES TO GENERAL CUSTOMERS		-		-		-		-		-	14
SALES TO OTHER WATER COMPANIES		-		-		-		-		-	15
OTHER SALES OF WATER		136		8		135		126		124	16
TOTAL CUSTOMERS		43,568		43,233		43,198		43,167		43,205	17
WATER OPERATING REVENUE RELATIONSHIPS											
METERED GENERAL CUSTOMERS											
AVG. ANNUAL BILL PER CUSTOMER	$	233.26	$	227.36	$	215.45	$	202.56	$	176.48	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)		107.77		106.78		111.43		106.61		120.82	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)		216.43		212.91		193.34		189.99		146.04	20
UNMETERED GENERAL CUSTOMERS											
AVG. ANNUAL BILL PER CUSTOMER		-		-		-		-		-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)		-		-		-		-		-	22
AVG. REVENUE PER T GALLONS SOLD(CENTS)		-		-		-		-		-	23
WATER OPERATION AND MAINTENANCE EXPENSES											
SOURCE OF SUPPLY EXPENSES	$	30,974	$	25,826	$	17,258	$	11,716	$	10,496	24
POWER AND PUMPING EXPENSES		1,346,131		1,266,600		1,146,972		931,835		921,837	25
PURIFICATION EXPENSES		369,063		297,509		342,970		384,869		346,342	26
TRANSMISSION AND DISTRIBUTION EXPENSES		808,373		607,019		593,414		733,017		597,522	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES		726,344		740,989		636,970		603,476		568,171	28
ADMINISTRATIVE+GENERAL EXPENSES		1,838,862		1,713,250		1,858,584		1,622,955		1,401,797	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$	5,119,747	$	4,651,193	$	4,596,168	$	4,287,868	$	3,846,165	30
WATER UTILITY PLANT											
WATER UTILITY PLANT											
PLANT IN SERVICE	$	25,061,911	$	23,514,245	$	21,682,452	$	20,381,117	$	19,910,140	31
PLANT LEASED TO OTHERS		-		-		-		-		-	32
CONSTRUCTION WORK IN PROGRESS		642,291		1,228,714		911,930		1,376,346		143,210	33
PLANT HELD FOR FUTURE USE		-		-		-		-		-	34
PLANT ACQUISITION ADJUSTMENTS		70,282		74,673		79,066		83,457		87,849	35
OTHER PLANT ADJUSTMENTS		-		-		-		-		-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS		-		-		-		-		-	37
TOTAL WATER UTILITY PLANT		25,774,484		24,817,632		22,673,448		21,840,920		20,141,199	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION		6,608,207		6,319,968		6,047,524		5,764,439		5,400,258	39
NET WATER UTILITY PLANT	$	19,166,277	$	18,497,664	$	16,625,924	$	16,076,481	$	14,740,941	40
PLANT IN SERVICE BEGINNING OF YEAR	$	23,514,245	$	21,682,452	$	20,381,117	$	19,910,140	$	19,530,816	41
ADDITIONS		1,985,673		2,014,688		1,563,502		474,890		438,014	42
RETIREMENTS		225,470		173,958		119,988		3,913		31,770	43
TRANSFERS AND ADJUSTMENTS		212,537-		8,937-		142,179-		-		26,920-	44
PLANT IN SERVICE END OF YEAR	$	25,061,911	$	23,514,245	$	21,682,452	$	20,381,117	$	19,910,140	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

NEW YORK WATER SERVICE CORP

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 11,036,203	$ 10,655,989	$ 10,114,104	$ 9,515,623	$ 8,300,410
2	SALES (THOUSAND GALLONS)	4,680,877	4,615,972	4,798,698	4,589,028	5,205,400
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 891,175	$ 842,844	$ 856,879	$ 812,682	$ 818,356
4	WAGES AND BENEFITS	1,860,970	1,771,249	1,721,720	1,549,104	426,798
5	OTHER OPERATION AND MAINTENANCE EXPENSES	2,367,602	2,037,300	2,017,569	1,926,082	2,600,411
6	DEPRECIATION AND AMORTIZATION EXPENSES	496,907	441,455	391,353	366,021	350,782
7	INCOME TAXES - OPERATING	-	-	-	-	-
8	OTHER TAXES - OPERATING	3,119,985	3,152,149	2,858,303	2,551,033	2,246,082
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	785,315	739,618	754,816	804,223	817,521
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	1,514,249	1,671,574	1,513,464	1,506,478	1,039,880
12	TOTAL	$ 11,036,203	$ 10,655,989	$ 10,114,104	$ 9,515,623	$ 8,300,410
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	8.1	7.9	8.5	8.5	9.9
14	WAGES AND BENEFITS	16.9	16.6	17.0	16.3	5.1
15	OTHER OPERATION AND MAINTENANCE EXPENSES	21.5	19.1	19.9	20.2	31.3
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.5	4.1	3.9	3.8	4.2
17	INCOME TAXES - OPERATING	-	-	-	-	-
18	OTHER TAXES - OPERATING	28.3	29.6	28.3	26.8	27.1
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.1	6.9	7.5	8.5	9.8
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	13.7	15.7	15.0	15.8	12.5
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	19.04	18.25	17.86	17.71	15.73
24	WAGES AND BENEFITS	39.76	38.37	35.88	33.76	8.20
25	OTHER OPERATION AND MAINTENANCE EXPENSES	50.58	44.14	42.04	41.97	49.96
26	DEPRECIATION AND AMORTIZATION EXPENSES	10.62	9.56	8.16	7.98	6.74
27	INCOME TAXES - OPERATING	-	-	-	-	-
28	OTHER TAXES - OPERATING	66.65	68.29	59.56	55.59	43.15
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	16.78	16.02	15.73	17.52	15.71
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	32.35	36.21	31.54	32.83	19.98
32	TOTAL	235.77	230.85	210.77	207.36	159.46

WATER

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MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

OWEGO WATER WORKS

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 1,492,728	$ 1,373,289	$ 1,349,908	$ 1,330,192	$ 1,296,933
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	530,018	518,130	493,509	480,561	468,218
3	NET WATER PLANT	962,710	855,159	856,399	849,631	828,715
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	209,787	209,787	209,787	187,473	64,281
6	OTHER INVESTMENTS AND FUNDS	9,132	4,786	1,939	-	1,303
7	TOTAL INVESTMENT AND FUND ACCOUNTS	218,919	214,573	211,726	187,473	65,584
8	CASH AND WORKING FUNDS	6,900	6,297	9,069	14,683	37,816
9	SPECIAL DEPOSITS	-	-	-	-	-
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	68,389	65,586	46,805	23,537	21,991
12	RECEIVABLES FROM ASSOCIATED COMPANIES	1,334	1,441	1,333	338	-
13	MATERIALS AND SUPPLIES	20,210	23,398	23,899	25,342	28,454
14	PREPAYMENTS	38,332	35,342	26,046	34,733	32,095
15	OTHER CURRENT AND ACCRUED ASSETS	81,430	82,511	84,156	58,931	55,103
16	TOTAL CURRENT AND ACCRUED ASSETS	216,565	214,575	191,108	156,564	174,149
17	UNAMORTIZED DEBT EXPENSE	-	-	13	463	605
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	1,748	1,748	1,748	1,748
20	CLEARING ACCOUNTS	-	1,439	-	2,251	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	100	8-	5,185	7,990	-
23	TOTAL DEFERRED DEBITS	100	3,179	6,946	12,452	2,353
24	TOTAL ASSETS AND OTHER DEBITS	$ 1,398,294	$ 1,287,486	$ 1,278,179	$ 1,206,120	$ 1,070,801
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 33,600	$ 33,600	$ 33,600	$ 33,600	$ 33,600
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	532,690	532,690	366,690	266,690	94,390
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	729,739	638,822	557,729	494,364	494,716
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	1,296,029	1,205,112	958,019	794,654	622,706
36	BONDS (LESS BONDS REACQUIRED)	-	-	-	245,000	304,713
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	-	-	-	-	-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	-	-	-	245,000	304,713
41	NOTES AND ACCOUNTS PAYABLE	11,909	4,044	24,540	70,837	3,871
42	PAYABLES TO ASSOCIATED COMPANIES	8,251	1,260	2,387	1,881	-
43	CUSTOMERS' DEPOSITS	4,436	3,254	3,075	1,750	10,784
44	TAXES ACCRUED	4,488	22,737	9,780	17,672	11,925
45	OTHER CURRENT AND ACCRUED LIABILITIES	20,943	15,935	270,519	50,545	101,747
46	TOTAL CURRENT AND ACCRUED LIABILITIES	50,027	47,230	290,741	142,685	128,327
47	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	32,359	20,712	18,638	15,209	15,055
49	OTHER DEFERRED CREDITS	-	-	-	-	-
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	19,879	14,397	8,601	4,917	-
52	OTHER	-	35	2,180	3,675	-
53	TOTAL DEFERRED CREDITS	52,238	35,144	29,419	23,801	15,055
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,398,294	$ 1,287,486	$ 1,278,179	$ 1,206,120	$ 1,070,801

SELECTED BALANCE SHEET RELATIONSHIPS

LINE NO.	ITEM	1985	1984	1983	1982	1981
56	WATER PLANT PER DOLLAR OF REVENUE	2.14	2.00	2.09	2.62	2.57
57	CURRENT ASSETS / CURRENT LIABILITIES	4.33	4.54	0.68	1.24	1.36
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	-	-	-	23.5	32.8
59	PREFERRED STOCK	-	-	-	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	43.6	46.9	41.7	28.8	13.8
61	RETAINED EARNINGS	56.3	53.0	58.2	47.5	53.3
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	-	-	-	18.4	23.4
63	PERCENT OF NET WATER PLANT	-	-	-	28.8	36.7
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	35.5	37.7	36.5	36.1	36.1

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

OWEGO WATER WORKS

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM		1985	1984	1983	1982	1981	LINE NO
WATER OPERATING INCOME							
OPERATING REVENUES	$	671,000 $	679,466 $	641,491 $	522,165 $	494,505	1
OPERATION AND MAINTENANCE EXPENSES		315,013	337,708	341,324	348,561	295,452	2
DEPRECIATION		29,044	26,236	26,274	25,825	24,568	3
AMORTIZATION							4
TAXES OTHER THAN INCOME TAXES		124,258	128,661	126,236	106,501	96,337	5
INCOME TAXES		71,896	68,235	40,847	1,580-	11,226	6
GAINS FROM DISP. OF UTILITY PLANT							7
LOSSES FROM DISP. OF UTILITY PLANT							8
TOTAL OPERATING EXPENSES		540,211	560,840	534,681	479,307	427,583	9
NET OPERATING REVENUES		130,789	118,626	106,810	42,858	66,922	10
INCOME FROM PLANT LEASED TO OTHERS		-	-	-	-	-	11
TOTAL WATER OPERATING INCOME		130,789	118,626	106,810	42,858	66,922	12
OTHER INCOME							
INCOME FROM MDSE, JOBBING-CONTRACT WORK			-	264			13
INCOME FROM NONUTILITY OPERATIONS			-				14
NONOPERATING RENTAL INCOME			-				15
INTEREST AND DIVIDEND INCOME			-		63	172	16
ALLOWANCE FOR CONSTRUCTION FUNDS			-				17
MISCELLANEOUS NONOPERATING INCOME		500	1,291		462	400	18
GAIN ON DISPOSITION OF PROPERTY		-	-				19
TOTAL OTHER INCOME		500	1,291	264	525	572	20
TOTAL INCOME		131,289	119,917	107,074	43,383	67,494	21
OTHER INCOME DEDUCTIONS							
LOSS ON DISPOSITION OF PROPERTY		-	-				22
MISCELLANEOUS AMORTIZATION		-	-		-		23
MISCELLANEOUS DEDUCTIONS		-	-	54	258		24
TAXES OTHER THAN INC. TAXES-NONOPERATING		-	-				25
INCOME TAXES-NONOPERATING		677-	611-	576-	722	1,469-	26
TOTAL OTHER INCOME DEDUCTIONS		677-	611-	522-	980	1,469-	27
INCOME BEFORE INTEREST CHARGES		131,966	120,528	107,596	42,403	68,963	28
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT			-	16,630	16,233	19,600	29
AMORT. OF DEBT DISCOUNT EXPENSE		-	13	450	342	360	30
AMORT. OF PREMIUM ON DEBT-CREDIT						-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES		44,830	38,210	35,124	22,115	4,922	32
OTHER INTEREST CHARGES		565	56	2,279	2,500	5,421	33
TOTAL INTEREST CHARGES		45,395	38,279	54,483	41,190	30,303	34
EXTRAORDINARY ITEMS							
EXTRAORDINARY INCOME			-	-	-		35
EXTRAORDINARY DEDUCTIONS			-	-	-	-	36
INCOME TAXES-EXTRAORDINARY ITEMS			-	-	-		37
NET EXTRAORDINARY ITEMS			-	-	-	-	38
NET INCOME	$	86,571 $	84,249 $	53,113 $	1,213 $	38,660	39
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$	638,822 $	557,729 $	494,364 $	494,716 $	456,807	40
BALANCE TRANSFERRED FROM INCOME		86,571	84,249	53,113	1,213	38,660	41
APPROPRIATIONS OF RETAINED EARNINGS		-			-		42
DIVIDENDS DECLARED-PREFERRED STOCK		-	-		-	-	43
-COMMON STOCK		-	-		-	-	44
ADJUSTMENTS TO RETAINED EARNINGS		4,346	3,156-	10,252	1,565-	751-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR		729,739	638,822	557,729	494,364	494,716	46
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$	729,739 $	638,822 $	557,729 $	494,364 $	494,716	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	LINE NO
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	46.9	49.7	53.2	66.7	59.7	49
DEPRECIATION AND AMORTIZATION	4.3	3.8	4.0	4.9	4.9	50
INCOME TAXES	10.7	10.0	6.3	0.2-	2.3	51
OTHER TAXES	18.5	18.9	19.6	20.3	19.4	52
TOTAL OPERATING EXPENSES	80.5	82.5	83.3	91.7	86.4	53
OPERATING INCOME	19.4	17.4	16.6	8.2	13.5	54
DEPRECIATION + AMORT % OF WATER PLANT	1.9	1.9	1.9	1.9	1.8	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	6.8	5.3	8.5	7.9	6.1	56
PRETAX INTEREST COVERAGE	4.5	5.2	2.7	1.0	2.6	57
NET INCOME - % OF OPERATING REVENUES	12.9	12.3	8.2	0.2	7.8	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES		-	-	-	-	59
TIMES EARNED	-	-	-	-	-	60
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES		-	-	-	-	61
PERCENT OF EARNINGS AVAILABLE FOR COMMON		-	-	-	-	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	6.9	7.7	6.0	0.1	6.4	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

OWEGO WATER WORKS

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 86,571	$ 84,249	$ 53,113	$ 1,213	$ 38,660
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	29,044	31,434	39,333	34,153	24,928
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	17,094	5,725	5,618	8,746	2,995
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)				-	
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	132,709	121,408	98,064	44,112	66,583
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-		-
9	TOTAL FUNDS FROM INTERNAL SOURCES	132,709	121,408	98,064	44,112	66,583
10	LESS DIVIDENDS PREFERRED	-	-	-		
11	COMMON	-	-			
12	NET FUNDS FROM INTERNAL SOURCES	132,709	121,408	98,064	44,112	66,583
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	50,109	
14	PREFERRED STOCK	-	-	-		-
15	COMMON STOCK	-	-	-		
16	NET INCREASE IN SHORT TERM DEBT	-	-	-		
17	OTHER (NET)	-	166,000	98,648	172,400	589
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	166,000	98,648	222,509	589
20	OTHER SOURCES (NET)	3,994	1,727			
21						
22						
23	TOTAL FUNDS PROVIDED	$ 136,703	$ 289,135	$ 196,712	$ 266,621	$ 67,172
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 134,963	$ 26,726	$ 31,690	$ 41,102	$ 55,299
25	NON-UTILITY PLANT	-	-	-	-	
26	OTHER	-	-	-	-	
27	TOTAL GROSS ADDITIONS	134,963	26,726	31,690	41,102	55,299
28	LESS INTEREST CAPITALIZED	-	-	-	-	
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	134,963	26,726	31,690	41,102	55,299
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	245,000	39,450	20,263	2,500
31	PREFERRED STOCK	-	-	-	-	
32	REDEMPTION OF CAPITAL STOCK	-	-	-		
33	NET DECREASE IN SHORT TERM DEBT	-	-	-		
34	OTHER (NET)	-	-	40,000	155,000	
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	245,000	79,450	175,263	2,500
37	OTHER USES (NET)	1,740	17,409	85,572	50,256	9,313
38						
39						
40	TOTAL FUNDS APPLIED	$ 136,703	$ 289,135	$ 196,712	$ 266,621	$ 67,112

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

OWEGO WATER WORKS

ITEM	1985	1984	1983	1982	1981	LINE NO.
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 606,968 $	614,610 $	581,968 $	474,012 $	446,913	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	20,039	21,286	18,390	12,734	12,446	3
OTHER SALES OF WATER	42,197	41,137	38,466	33,662	30,085	4
TOTAL REVENUES FROM SALES OF WATER	669,204	677,033	638,824	520,408	489,444	5
OTHER WATER OPERATING REVENUES	1,796	2,433	2,667	1,757	5,062	6
TOTAL WATER OPERATING REVENUES	$ 671,000 $	679,466 $	641,491 $	522,165 $	494,506	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	456,000	478,930	485,540	465,508	518,013	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	28,675	30,348	28,636	22,889	28,546	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	484,675	509,278	514,176	488,397	546,559	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	1,436	1,409	1,413	1,434	1,403	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	2	2	2	2	1	15
OTHER SALES OF WATER	21	21	22	21	20	16
TOTAL CUSTOMERS	1,459	1,432	1,437	1,457	1,424	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 422.67 $	436.20 $	411.86 $	330.55 $	318.54	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	317.54	339.90	343.62	324.62	369.21	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	133.11	128.33	119.86	101.83	86.27	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T GALLONS SOLD(CENTS)	-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 14,030 $	10,165 $	8,693 $	13,849 $	13,648	24
POWER AND PUMPING EXPENSES	94,045	94,178	103,101	84,270	79,739	25
PURIFICATION EXPENSES	6,219	7,150	8,161	6,839	10,625	26
TRANSMISSION AND DISTRIBUTION EXPENSES	37,654	38,810	42,386	51,210	49,335	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	22,202	21,742	23,394	35,151	34,546	28
ADMINISTRATIVE+GENERAL EXPENSES	140,863	165,663	157,389	164,742	106,959	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 315,013 $	337,708 $	341,324 $	348,561 $	295,457	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 1,497,944 $	1,384,682 $	1,361,301 $	1,325,481 $	1,303,286	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	6,177	-	-	16,104	4,997	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	11,393-	11,393-	11,393-	11,393-	11,450-	37
TOTAL WATER UTILITY PLANT	1,492,728	1,373,289	1,349,908	1,330,192	1,296,833	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION	530,018	518,130	493,509	480,561	468,218	39
NET WATER UTILITY PLANT	$ 962,710 $	855,159 $	856,399 $	849,631 $	828,615	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,384,682 $	1,361,301 $	1,325,481 $	1,303,286 $	1,247,475	41
ADDITIONS	128,786	26,782	45,572	29,938	55,811	42
RETIREMENTS	15,524	3,401	9,752	7,743	-	43
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 1,497,944 $	1,384,682 $	1,361,301 $	1,325,481 $	1,303,286	45

310E

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

OWEGO WATER WORKS

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 671,000	$ 679,466	$ 641,491	$ 522,165	$ 494,505
2	SALES (THOUSAND GALLONS)	484,675	509,278	514,176	488,337	546,559
	DOLLAR AMOUNTS					
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 79,546	$ 83,599	$ 78,657	$ 68,565	$ 64,347
4	WAGES AND BENEFITS	127,057	127,628	126,356	134,998	142,792
5	OTHER OPERATION AND MAINTENANCE EXPENSES	108,410	126,481	136,311	145,000	87,713
6	DEPRECIATION AND AMORTIZATION EXPENSES	29,044	26,236	26,274	25,825	24,568
7	INCOME TAXES - OPERATING	71,896	68,235	40,847	1,580-	11,226
8	OTHER TAXES - OPERATING	124,258	128,681	126,236	106,501	96,337
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	45,395	36,279	54,483	41,190	30,303
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	85,394	82,347	52,327	1,668	36,819
12	TOTAL	$ 671,000	$ 679,466	$ 641,491	$ 522,165	$ 494,505
	PERCENT OF REVENUES					
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	11.9	12.3	12.3	13.1	13.1
14	WAGES AND BENEFITS	18.9	18.8	19.7	25.9	28.9
15	OTHER OPERATION AND MAINTENANCE EXPENSES	16.2	18.6	21.2	27.8	17.7
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.3	3.9	4.1	4.9	5.0
17	INCOME TAXES - OPERATING	10.7	10.0	6.4	0.2-	2.3
18	OTHER TAXES - OPERATING	18.5	18.9	19.7	20.4	19.5
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	6.8	5.3	8.5	7.9	6.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	12.7	12.1	8.2	0.3	7.4
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	CENTS PER THOUSAND GALLONS SOLD					
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	16.41	16.42	15.30	14.04	11.88
24	WAGES AND BENEFITS	26.21	25.06	24.57	27.64	26.13
25	OTHER OPERATION AND MAINTENANCE EXPENSES	22.37	24.84	26.51	29.69	16.05
26	DEPRECIATION AND AMORTIZATION EXPENSES	5.99	5.15	5.11	5.29	4.50
27	INCOME TAXES - OPERATING	14.83	13.40	7.94	0.31-	2.05
28	OTHER TAXES - OPERATING	25.64	25.26	24.55	21.81	17.63
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	9.37	7.12	10.60	8.43	5.54
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	17.62	16.17	10.18	0.34	6.70
32	TOTAL	138.44	133.42	124.76	106.91	90.48

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

SEA CLIFF WATER COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 2,450,181	$ 2,290,502	$ 2,168,905	$ 2,079,003	$ 1,953,640
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	975,321	939,794	906,584	873,474	844,971
3	NET WATER PLANT	1,474,860	1,350,708	1,262,321	1,205,529	1,108,669
4	OTHER PHYSICAL PROPERTY	176	176	176	176	176
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-		-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	176	176	176	176	176
8	CASH AND WORKING FUNDS	229,923	140,007	224,629	135,133	53,277
9	SPECIAL DEPOSITS	100	100	100	100	100
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	182,415	190,451	180,529	177,990	137,325
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
13	MATERIALS AND SUPPLIES	29,634	26,926	23,597	17,017	22,450
14	PREPAYMENTS	31,729	25,938	25,284	23,389	22,632
15	OTHER CURRENT AND ACCRUED ASSETS	74,225	86,570	59,746	81,700	71,402
16	TOTAL CURRENT AND ACCRUED ASSETS	548,026	479,992	513,885	435,929	307,186
17	UNAMORTIZED DEBT EXPENSE	16,240	18,688	-	-	2,509
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	13,390	46,538	16,195	25,633	22,919
23	TOTAL DEFERRED DEBITS	29,630	65,226	16,195	25,633	25,428
24	TOTAL ASSETS AND OTHER DEBITS	$ 2,052,692	$ 1,896,102	$ 1,792,577	$ 1,667,267	$ 1,441,459
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 24,950	$ 24,950	$ 24,950	$ 24,950	$ 24,950
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	319,496	319,496	319,496	319,496	319,496
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	618,289	540,069	423,989	318,904	536,276
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	962,735	884,515	768,435	663,350	880,722
36	BONDS (LESS BONDS REACQUIRED)		-		-	
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-		-
38	OTHER LONG TERM DEBT	696,000	739,000	-		270,000
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-		-	-
40	TOTAL LONG TERM DEBT	696,000	739,000	-	-	270,000
41	NOTES AND ACCOUNTS PAYABLE	40,785	9,169	770,240	811,659	61,213
42	PAYABLES TO ASSOCIATED COMPANIES	10,320		144	-	77,253
43	CUSTOMERS' DEPOSITS	7,000	6,085	6,335	5,732	5,915
44	TAXES ACCRUED	69,074	21,837	25,208	24,121	30,735
45	OTHER CURRENT AND ACCRUED LIABILITIES	41,867	40,556	58,889	55,322	27,482
46	TOTAL CURRENT AND ACCRUED LIABILITIES	169,046	77,647	860,816	896,834	202,598
47	CUSTOMER ADVANCES FOR CONSTRUCTION	101,659	79,159	95,159	58,659	58,659
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	62,648	43,767	39,531	15,223	7,298
49	OTHER DEFERRED CREDITS	2,862	2,862	2,862	4,337	4,337
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	34,830	22,570	13,107	6,207	1,442
52	OTHER	22,912	46,582	12,667	22,657	16,403
53	TOTAL DEFERRED CREDITS	224,911	194,940	163,326	107,083	88,139
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 2,052,692	$ 1,896,102	$ 1,792,577	$ 1,667,267	$ 1,441,459
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	WATER PLANT PER DOLLAR OF REVENUE	2.09	2.33	2.36	2.56	2.76
57	CURRENT ASSETS / CURRENT LIABILITIES	3.24	6.18	0.60	0.49	1.52
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	41.9	45.5	-	-	23.4
59	PREFERRED STOCK	-	-	-	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	20.7	21.2	44.8	51.9	29.9
61	RETAINED EARNINGS	37.2	33.2	55.1	48.0	46.6
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	28.4	32.2	-	-	13.8
63	PERCENT OF NET WATER PLANT	47.1	54.7	-	-	24.3
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	39.8	41.0	41.7	42.0	43.2

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

SEA CLIFF WATER COMPANY

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING INCOME						
OPERATING REVENUES $	1,131,991 $	955,652 $	899,334 $	787,088 $	696,983	1
OPERATION AND MAINTENANCE EXPENSES	447,206	375,274	357,767	351,432	302,084	2
DEPPECIATION	37,209	35,794	34,312	31,540	30,162	3
AMORTIZATION	181	181	181	180	181	4
TAXES OTHER THAN INCOME TAXES	344,192	295,692	280,367	253,053	228,660	5
INCOME TAXES	89,200	44,200	45,000	22,000	24,615	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	917,988	751,141	717,627	658,205	585,702	9
NET OPERATING REVENUES	214,003	204,511	181,707	128,883	111,281	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	214,003	204,511	181,707	128,883	111,281	12
OTHER INCOME						
INCOME FROM MDSE. JOBBING+CONTRACT WORK		-	-	-	-	13
INCOME FROM NONUTILITY OPERATIONS	-		-	-		14
NONOPERATING RENTAL INCOME	-	-	-	-		15
INTEREST AND DIVIDEND INCOME	12,527	18,599	17,608	921		16
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	1,010		17
MISCELLANEOUS NONOPERATING INCOME	-	-	-	-	-	18
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-		19
TOTAL OTHER INCOME	12,527	18,599	17,608	1,931		20
TOTAL INCOME	226,530	223,110	199,315	130,814	111,281	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-		-	-		22
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS	-	-	-	-	-	24
TAXES OTHER THAN INC TAXES-NONOPERATING	470	-	-	-		25
INCOME TAXES-NONOPERATING	4,000	5,000	4,618	3,056-	148-	26
TOTAL OTHER INCOME DEDUCTIONS	4,470	5,000	4,618	3,056-	148-	27
INCOME BEFORE INTEREST CHARGES	222,060	218,110	194,697	133,870	111,429	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	85,811	98,264	-	20,527	29,490	29
AMORT OF DEBT DISCOUNT EXPENSE	2,448	3,211	-	2,509	1,468	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	32
OTHER INTEREST CHARGES	581	555	89,612	28,206	9,625	33
TOTAL INTEREST CHARGES	88,840	102,030	89,612	51,242	40,583	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-			58,349	35
EXTRAORDINARY DEDUCTIONS	-	-		-	-	36
INCOME TAXES EXTRAORDINARY ITEMS	-	-		-	16,000	37
NET EXTRAORDINARY ITEMS	-	-	-	-	42,349	38
NET INCOME $	133,220 $	116,080 $	105,085 $	82,628 $	113,195	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR$	540,069 $	423,989 $	318,904 $	536,276 $	423,081	40
BALANCE TRANSFERRED FROM INCOME	133,220	116,080	105,085	82,628	113,195	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-		42
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-			43
-COMMON STOCK	55,000	-	-	300,000	-	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-		45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	618,289	540,069	423,989	318,904	536,276	46
APPROPRIATED RETAINED EARNINGS	-	-		-		47
TOTAL RETAINED EARNINGS, END OF YEAR $	618,289 $	540,069 $	423,989 $	318,904 $	536,276	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	LINE NO
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	39.5	39.2	39.7	44.6	43.3	49
DEPRECIATION AND AMORTIZATION	3.3	3.7	3.8	4.0	4.3	50
INCOME TAXES	7.8	4.6	5.0	2.7	3.5	51
OTHER TAXES	30.4	30.9	31.1	32.1	32.8	52
TOTAL OPERATING EXPENSES	81.0	78.5	79.7	83.6	84.0	53
OPERATING INCOME	18.9	21.4	20.2	16.3	15.3	54
DEPRECIATION + AMORT % OF WATER PLANT	1.5	1.5	1.5	1.5	1.5	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	7.8	10.7	10.0	6.5	5.8	56
PRETAX INTEREST COVERAGE	3.5	2.6	2.7	3.0	3.3	57
NET INCOME - % OF OPERATING REVENUES	11.7	12.1	11.6	10.4	16.2	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	59
TIMES EARNED	-	-	-	-	-	60
DIVIDEND APPROPRIATIONS,COMMON STOCK						
PERCENT OF OPERATING REVENUES	4.8	-	-	38.1		61
PERCENT OF EARNINGS AVAILABLE FOR COMMON	41.2	-	-	-	-	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	14.4	14.0	14.6	10.7	13.7	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	5.9	-	-	38.8	-	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

SEA CLIFF WATER COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 133,220	$ 116,080	$ 105,085	$ 82,628	$ 113,195
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	82,484	48,723	72,470	40,574	39,138
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	7,471	47,614		18,944	15,467
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	405	405	-	-	713
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	223,580	212,822	177,555	142,146	168,513
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	
9	TOTAL FUNDS FROM INTERNAL SOURCES	223,580	212,822	177,555	142,146	168,513
10	LESS DIVIDENDS PREFERRED	-	-	-	-	
11	COMMON	55,000	-	-	300,000	-
12	NET FUNDS FROM INTERNAL SOURCES	168,580	212,822	177,555	157,854-	168,513
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	760,000	-	-	
14	PREFERRED STOCK	-	-	-	-	
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	
17	OTHER (NET)	22,500	-	36,500	-	
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	22,500	760,000	36,500	-	
20	OTHER SOURCES (NET)	23,365	-		565,493	2,554
21						
22						
23	TOTAL FUNDS PROVIDED	$ 214,445	$ 972,822	$ 214,055	$ 407,639	$ 171,067
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 160,686	$ 122,834	$ 91,099	$ 129,294	$ 55,873
25	NON-UTILITY PLANT	-			-	-
26	OTHER	-				
27	TOTAL GROSS ADDITIONS	160,686	122,834	91,099	129,294	55,873
28	LESS INTEREST CAPITALIZED	-	-		-	
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	160,686	122,834	91,099	129,294	55,873
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	43,000	21,000	-	270,000	40,000
31	PREFERRED STOCK	-	-		-	
32	REDEMPTION OF CAPITAL STOCK	-	-		-	
33	NET DECREASE IN SHORT TERM DEBT	-	-	40,000	-	
34	OTHER (NET)	-	16,000			
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	43,000	37,000	40,000	270,000	40,000
37	OTHER USES (NET)	10,759	812,988	82,956	8,345	75,194
38						
39						
40	TOTAL FUNDS APPLIED	$ 214,445	$ 972,822	$ 214,055	$ 407,639	$ 171,067

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

SEA CLIFF WATER COMPANY

ITEM	1985	1984	1983	1982	1981	LINE NO.
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 966,042	$ 820,898	$ 773,698	$ 674,546	$ 599,441	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	159,798	127,979	121,993	111,862	96,722	4
TOTAL REVENUES FROM SALES OF WATER	1,125,840	948,877	895,691	786,408	696,163	5
OTHER WATER OPERATING REVENUES	6,151	6,775	3,643	680	820	6
TOTAL WATER OPERATING REVENUES	$ 1,131,991	$ 955,652	$ 899,334	$ 787,088	$ 696,983	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	375,686	368,280	398,798	373,333	377,982	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	375,686	368,280	398,798	373,333	377,982	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	4,081	4,065	4,043	4,010	4,043	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	380	379	379	360		16
TOTAL CUSTOMERS	4,461	4,444	4,422	4,370	4,043	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 236.71	$ 201.94	$ 191.36	$ 168.21	$ 148.26	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	92.05	90.59	98.63	93.10	93.49	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	257.14	222.90	194.01	180.68	158.59	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T GALLONS SOLD(CENTS)	-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 3,896	$ 6,247	$ 5,789	$ 5,790	$ 4,962	24
POWER AND PUMPING EXPENSES	124,648	109,554	91,145	93,841	35,176	25
PURIFICATION EXPENSES	33,990	29,827	25,810	23,155	14,461	26
TRANSMISSION AND DISTRIBUTION EXPENSES	51,490	34,317	37,384	43,002	36,102	27
CUSTOMERS ACCT G+COLLECTING EXPENSES	102,985	92,888	89,809	77,921	62,825	28
ADMINISTRATIVE+GENERAL EXPENSES	124,197	102,441	107,830	107,723	88,558	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 447,206	$ 375,274	$ 357,767	$ 351,432	$ 302,084	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 2,412,371	$ 2,212,585	$ 2,151,167	$ 2,068,415	$ 1,942,231	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	37,810	77,917	17,738	10,588	11,409	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	2,450,181	2,290,502	2,168,905	2,079,003	1,953,640	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION	975,321	939,794	906,584	873,474	844,971	39
NET WATER UTILITY PLANT	$ 1,474,860	$ 1,350,708	$ 1,262,321	$ 1,205,529	$ 1,108,669	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,212,585	$ 2,151,167	$ 2,068,415	$ 1,942,231	$ 1,889,962	41
ADDITIONS	200,810	62,721	83,949	130,115	53,606	42
RETIREMENTS	1,024	1,238	1,197	3,931	1,337	43
TRANSFERS AND ADJUSTMENTS	-	65-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 2,412,371	$ 2,212,585	$ 2,151,167	$ 2,068,415	$ 1,942,231	45

311E

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

SEA CLIFF WATER COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 1,131,991	$ 955,652	$ 899,334	$ 787,088	$ 696,983
2	SALES (THOUSAND GALLONS)	375,686	368,280	398,798	373,333	377,982
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 97,392	$ 94,789	$ 91,493	$ 85,640	$ 84,487
4	WAGES AND BENEFITS	127,344	106,302	90,959	103,544	84,030
5	OTHER OPERATION AND MAINTENANCE EXPENSES	222,470	174,183	175,315	162,248	133,567
6	DEPRECIATION AND AMORTIZATION EXPENSES	37,390	35,975	34,493	31,720	30,343
7	INCOME TAXES - OPERATING	89,200	44,200	45,000	22,000	24,615
8	OTHER TAXES - OPERATING	344,192	295,692	280,367	253,053	228,660
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	88,840	102,030	89,612	51,242	40,583
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	125,163	102,481	92,095	77,641	70,698
12	TOTAL	$ 1,131,991	$ 955,652	$ 899,334	$ 787,088	$ 696,983
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	8.6	9.9	10.2	10.9	12.1
14	WAGES AND BENEFITS	11.2	11.1	10.1	13.2	12.1
15	OTHER OPERATION AND MAINTENANCE EXPENSES	19.7	18.2	19.5	20.6	19.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	3.3	3.8	3.8	4.0	4.4
17	INCOME TAXES - OPERATING	7.9	4.6	5.0	2.8	3.5
18	OTHER TAXES - OPERATING	30.4	30.9	31.2	32.2	32.8
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.8	10.7	10.0	6.5	5.8
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-			
21	EARNINGS AVAILABLE FOR COMMON EQUITY	11.1	10.7	10.2	9.9	10.1
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	25.92	25.74	22.94	22.94	22.35
24	WAGES AND BENEFITS	33.90	28.86	22.81	27.74	22.23
25	OTHER OPERATION AND MAINTENANCE EXPENSES	59.22	47.30	43.96	43.46	35.34
26	DEPRECIATION AND AMORTIZATION EXPENSES	9.95	9.77	8.65	8.50	8.03
27	INCOME TAXES - OPERATING	23.74	12.00	11.28	5.89	6.51
28	OTHER TAXES - OPERATING	91.62	80.29	70.30	67.78	60.49
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	23.65	27.70	22.47	13.73	10.74
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	33.32	27.83	23.09	20.80	18.70
32	TOTAL	301.31	259.49	225.51	210.83	184.40

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

SHOREWOOD WATER CORP

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 4,836,664	$ 3,999,728	$ 3,624,831	$ 3,267,490	$ 2,823,209
2	ACCUMULATED PROVISION FOR DEPRE-AMORT	699,538	626,427	562,608	504,306	452,507
3	NET WATER PLANT	4,137,126	3,373,301	3,062,023	2,763,183	2,370,702
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES			-	-	
6	OTHER INVESTMENTS AND FUNDS	-			-	
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-		-		
8	CASH AND WORKING FUNDS	1,007	11,216	9,329	7,184	7,928
9	SPECIAL DEPOSITS	-	-	-	-	193
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	255,719	54,576	80,764	72,082	13,950
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	
13	MATERIALS AND SUPPLIES	7,813	7,514	8,503	11,465	12,300
14	PREPAYMENTS	1,084	2,042	2,042	1,127	945
15	OTHER CURRENT AND ACCRUED ASSETS	200	200	200	200	200
16	TOTAL CURRENT AND ACCRUED ASSETS	265,825	75,550	100,838	92,059	35,518
17	UNAMORTIZED DEBT EXPENSE	-	-	-	-	-
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	1,443	1,407	1,334	1,334	1,414
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	
22	OTHER DEFERRED DEBITS	-	-	-	1,445	2,891
23	TOTAL DEFERRED DEBITS	1,443	1,407	1,334	2,780	4,306
24	TOTAL ASSETS AND OTHER DEBITS	$ 4,404,394	$ 3,450,260	$ 3,164,196	$ 2,858,023	$ 2,410,527
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-		-	
31	OTHER PAID-IN CAPITAL	-	-		-	
32	CAPITAL STOCK EXPENSE	-	-		-	
33	RETAINED EARNINGS	256,778	193,101	153,153	-	30,979
34	REACQUIRED CAPITAL STOCK	-	-		23,483	
35	TOTAL PROPRIETARY CAPITAL	268,778	205,101	165,153	35,483	18,979
36	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	
37	ADVANCES FROM ASSOCIATED COMPANIES	369,426	359,590	350,808	342,967	335,966
38	OTHER LONG TERM DEBT	106,782	106,782	203,758	180,625	216,625
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-		-	
40	TOTAL LONG TERM DEBT	476,209	466,373	554,567	523,592	552,591
41	NOTES AND ACCOUNTS PAYABLE	335,155	134,021	78,766	35,000	49,550
42	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	73,547	-
43	CUSTOMERS' DEPOSITS	-	-	-	-	-
44	TAXES ACCRUED	26,306	22,805	11,023	19,559	31,382
45	OTHER CURRENT AND ACCRUED LIABILITIES	107,576	74,764	65,707	149,878	111,402
46	TOTAL CURRENT AND ACCRUED LIABILITIES	469,039	231,592	155,498	277,985	192,336
47	CUSTOMER ADVANCES FOR CONSTRUCTION	3,162,216	2,520,125	2,257,729	1,996,434	1,662,816
48	ACCUM DEFERRED INVESTMENT TAX CREDITS	-	-	-	-	-
49	OTHER DEFERRED CREDITS	28,150	27,067	31,247	24,527	21,762
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	
51	LIBERALIZED DEPRECIATION	-	-		-	
52	OTHER	-	-	-	-	
53	TOTAL DEFERRED CREDITS	3,190,366	2,547,192	2,288,977	2,020,962	1,684,579
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 4,404,394	$ 3,450,260	$ 3,164,196	$ 2,858,023	$ 2,410,527

SELECTED BALANCE SHEET RELATIONSHIPS

LINE NO	ITEM	1985	1984	1983	1982	1981
56	WATER PLANT PER DOLLAR OF REVENUE	7.98	6.81	6.03	6.68	6.00
57	CURRENT ASSETS / CURRENT LIABILITIES	0.57	0.33	0.65	0.33	0.18
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	63.9	69.4	77.0	93.6	103.5
59	PREFERRED STOCK	-	-	-		-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	1.6	1.7	1.6	6.3	2.2
61	RETAINED EARNINGS	34.4	28.7	21.2		5.7
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	9.8	11.6	15.2	16.0	19.5
63	PERCENT OF NET WATER PLANT	11.5	13.8	18.1	18.9	23.3
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	14.4	15.6	15.5	15.4	16.0

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

SHOREWOOD WATER CORP

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING INCOME						
OPERATING REVENUES	$ 553,652	$ 559,872	$ 571,523	$ 455,696	$ 424,077	1
OPERATION AND MAINTENANCE EXPENSES	389,649	354,321	291,382	265,831	289,447	2
DEPRECIATION	73,110	63,818	58,301	51,799	43,069	3
AMORTIZATION		-				4
TAXES OTHER THAN INCOME TAXES	88,129	88,284	80,745	69,553	64,589	5
INCOME TAXES	-	2,160	-	-		6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	550,890	508,585	430,430	387,185	397,106	9
NET OPERATING REVENUES	2,762	51,286	141,092	68,511	26,970	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	3,625	3,059	-	11
TOTAL WATER OPERATING INCOME	2,762	51,286	144,717	71,570	26,970	12
OTHER INCOME						
INCOME FROM MDSE, JOBBING+CONTRACT WORK	96,313	30,328	27,887	41,154	19,486	13
INCOME FROM NONUTILITY OPERATIONS		-	-			14
NONOPERATING RENTAL INCOME		-		-		15
INTEREST AND DIVIDEND INCOME	384	1,807	537	9	47	16
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-			17
MISCELLANEOUS NONOPERATING INCOME	1,965	374	359	468	285	18
GAIN ON DISPOSITION OF PROPERTY	-	-	-		-	19
TOTAL OTHER INCOME	98,663	32,509	28,783	41,631	19,820	20
TOTAL INCOME	101,425	83,795	173,500	113,201	46,790	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-		22
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS	-	-	-	-		24
TAXES OTHER THAN INC TAXES-NONOPERATING	-	-	-	-		25
INCOME TAXES-NONOPERATING	-	-	-	-		26
TOTAL OTHER INCOME DEDUCTIONS	-	-	-	-	-	27
INCOME BEFORE INTEREST CHARGES	101,425	83,795	173,500	113,201	46,790	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	14,143	22,630	23,445	32,269	39,264	29
AMORT OF DEBT DISCOUNT EXPENSE	-	-	-	-	-	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	9,835	8,782	7,841	7,001	6,250	32
OTHER INTEREST CHARGES	13,769	12,435	12,544	19,468	13,662	33
TOTAL INTEREST CHARGES	37,749	43,848	43,830	58,739	59,178	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-				35
EXTRAORDINARY DEDUCTIONS	-					36
INCOME TAXES EXTRAORDINARY ITEMS	-					37
NET EXTRAORDINARY ITEMS		-			-	38
NET INCOME	$ 63,677	$ 39,948	$ 129,870	$ 54,462	$ 12,387-	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 193,101	$ 153,153	$ 23,483	$ 30,979-	$ 18,592-	40
BALANCE TRANSFERRED FROM INCOME	63,677	39,948	129,870	54,462	12,387-	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	43
-COMMON STOCK	-	-	-	-	-	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	256,778	193,101	153,153	23,483	30,979-	46
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 256,778	$ 193,101	$ 153,153	$ 23,483	$ 30,979-	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	LINE NO
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	70.3	63.2	50.9	58.3	68.2	49
DEPRECIATION AND AMORTIZATION	13.2	11.3	10.2	11.3	10.1	50
INCOME TAXES	-	0.3	-	-	-	51
OTHER TAXES	15.9	15.7	14.1	15.2	15.2	52
TOTAL OPERATING EXPENSES	99.5	90.8	75.3	84.9	93.6	53
OPERATING INCOME	0.4	9.1	25.3	15.1	6.3	54
DEPRECIATION + AMORT % OF WATER PLANT	1.5	1.5	1.6	1.5	1.5	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	6.8	7.8	7.7	12.9	14.0	56
PRETAX INTEREST COVERAGE	2.7	2.0	4.0	1.9	0.8	57
NET INCOME - % OF OPERATING REVENUES	11.5	7.1	22.6	11.9	2.8-	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	59
TIMES EARNED	-	-	-		-	60
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-		61
PERCENT OF EARNINGS AVAILABLE FOR-COMMON	-	-	-		-	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	26.8	21.5	129.2	-	96.8	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

SHOREWOOD WATER CORP

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 63,677	$ 39,948	$ 129,670	$ 54,462	$ 12,387
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	73,110	63,818	58,301	51,799	43,069
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		-			
4	INTEREST CAPITALIZED	-	-	-	-	
5	OTHER (NET)	1,048	-	8,165	4,289	5,397
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	137,836	103,766	196,138	110,552	36,680
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-		-		
9	TOTAL FUNDS FROM INTERNAL SOURCES	137,836	103,766	196,138	110,552	36,680
10	LESS DIVIDENDS PREFERRED		-	-	-	
11	COMMON		-	-	-	
12	NET FUNDS FROM INTERNAL SOURCES	137,836	103,766	196,138	110,552	36,680
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	23,133	-	21,500
14	PREFERRED STOCK		-		-	
15	COMMON STOCK	-	-	-	-	
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	651,925	271,178	269,136	340,619	416,631
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	651,926	271,178	292,270	340,619	438,131
20	OTHER SOURCES (NET)	47,172	101,382		29,108	78,526
21						
22						
23	TOTAL FUNDS PROVIDED	$ 836,935	$ 476,327	$ 488,408	$ 480,280	$ 553,337
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 836,935	$ 375,097	$ 357,141	$ 444,280	$ 553,337
25	NON-UTILITY PLANT	-	-			
26	OTHER	-	-			
27	TOTAL GROSS ADDITIONS	836,935	375,097	357,141	444,280	553,337
28	LESS INTEREST CAPITALIZED	-	-			
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	836,935	375,097	357,141	444,280	553,337
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	96,976		36,000	
31	PREFERRED STOCK	-	-			
32	REDEMPTION OF CAPITAL STOCK	-	-			
33	NET DECREASE IN SHORT TERM DEBT	-	-			
34	OTHER (NET)	-	-			-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	96,976		36,000	
37	OTHER USES (NET)	-	4,254	131,266		
38						
39						
40	TOTAL FUNDS APPLIED	$ 836,935	$ 476,327	$ 488,408	$ 480,280	$ 553,337

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

SHOREWOOD WATER CORP

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 486,589	$ 483,078	$ 495,133	$ 384,371	$ 355,624	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-			2
SALES TO OTHER WATER COMPANIES	-	-	-			3
OTHER SALES OF WATER	64,438	74,692	72,902	68,761	66,227	4
TOTAL REVENUES FROM SALES OF WATER	551,029	557,772	568,037	453,134	421,852	5
OTHER WATER OPERATING REVENUES	2,623	2,100	3,486	2,562	2,225	6
TOTAL WATER OPERATING REVENUES	$ 553,652	$ 559,872	$ 571,523	$ 455,696	$ 424,077	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	438,470	490,914	470,484	326,463	292,923	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	-	-	-	-		10
OTHER SALES OF WATER	61,126	58,491	68,760	53,250	64,911	11
TOTAL SALES OF WATER	499,596	549,405	539,244	379,713	357,834	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	4,100	3,827	3,699	3,568	3,500	13
UNMETERED SALES TO GENERAL CUSTOMERS	-		-			14
SALES TO OTHER WATER COMPANIES						15
OTHER SALES OF WATER	60	60	329	328	304	16
TOTAL CUSTOMERS	4,160	3,887	4,028	3,896	3,804	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG ANNUAL BILL PER CUSTOMER	$ 118.68	$ 126.22	$ 133.85	$ 107.72	$ 101.60	18
AVG CONSUMPTION PER CUSTOMER (T GAL)	106.34	128.27	127.19	91.49	83.69	19
AVG REVENUE PER T GALLONS SOLD (CENTS)	110.97	98.40	105.24	117.74	121.41	20
UNMETERED GENERAL CUSTOMERS						
AVG ANNUAL BILL PER CUSTOMER		-	-	-	-	21
AVG CONSUMPTION PER CUSTOMER (T GAL)		-		-		22
AVG REVENUE PER T GALLONS SOLD(CENTS)		-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 23	-	-			24
POWER AND PUMPING EXPENSES	115,163	103,452	93,192	66,067	77,988	25
PURIFICATION EXPENSES	7,500	9,131	7,956	2,559	3,479	26
TRANSMISSION AND DISTRIBUTION EXPENSES	59,496	47,149	39,571	45,421	50,424	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	16,778	14,035	3,279	10,817	11,394	28
ADMINISTRATIVE+GENERAL EXPENSES	190,687	180,553	141,387	140,968	146,160	29
TOTAL WATER OPERATION+MAINT EXPENSES	$ 389,649	$ 354,322	$ 291,383	$ 265,832	$ 289,447	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 4,833,740	$ 3,987,396	$ 3,612,525	$ 3,256,955	$ 2,778,570	31
PLANT LEASED TO OTHERS	-	-				32
CONSTRUCTION WORK IN PROGRESS	2,923	-			34,104	33
PLANT HELD FOR FUTURE USE	-	12,332	12,106	10,534	10,534	34
PLANT ACQUISITION ADJUSTMENTS	-	-				35
OTHER PLANT ADJUSTMENTS	-		-			36
ACCUM GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-		-	37
TOTAL WATER UTILITY PLANT	4,836,664	3,999,728	3,624,631	3,267,490	2,823,209	38
ACCUM PROV FOR DEPR AMORT DEPLETION	699,538	626,427	562,608	504,306	452,507	39
NET WATER UTILITY PLANT	$ 4,137,126	$ 3,373,301	$ 3,062,023	$ 2,763,183	$ 2,370,702	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 3,987,396	$ 3,612,525	$ 3,256,955	$ 2,778,570	$ 2,239,097	41
ADDITIONS	846,343	374,871	355,570	478,430	539,472	42
RETIREMENTS	-		-	45		43
TRANSFERS AND ADJUSTMENTS	-	-			-	44
PLANT IN SERVICE END OF YEAR	$ 4,833,740	$ 3,987,396	$ 3,612,525	$ 3,256,955	$ 2,778,570	45

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MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

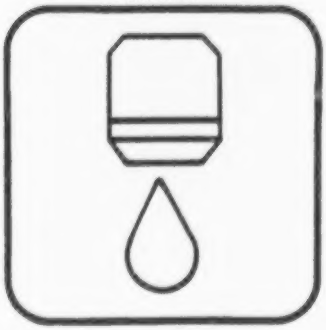
DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

SHOREWOOD WATER CORP

LINE NO	ITEM		1985		1984		1983		1982		1981
1	REVENUES	$	553,652	$	559,872	$	571,523	$	455,696	$	424,077
2	SALES (THOUSAND GALLONS)		499,596		549,405		539,244		379,713		357,834
						DOLLAR AMOUNTS					
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$	93,515	$	89,875	$	79,057	$	57,343	$	72,464
4	WAGES AND BENEFITS		197,079		126,232		8,831		9,972		11,361
5	OTHER OPERATION AND MAINTENANCE EXPENSES		99,055		138,215		199,870		195,458		205,622
6	DEPRECIATION AND AMORTIZATION EXPENSES		73,110		63,818		58,301		51,799		43,089
7	INCOME TAXES - OPERATING		-		2,160		-		-		-
8	OTHER TAXES - OPERATING		88,129		88,284		80,745		69,553		64,589
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		37,749		43,848		43,830		58,739		59,178
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
11	EARNINGS AVAILABLE FOR COMMON EQUITY		34,987-		7,438		100,887		12,831		32,208-
12	TOTAL	$	553,652	$	559,872	$	571,523	$	455,696	$	424,077
						PERCENT OF REVENUES					
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT		16.9		16.1		13.8		12.6		17.1
14	WAGES AND BENEFITS		35.6		22.5		1.5		2.2		2.7
15	OTHER OPERATION AND MAINTENANCE EXPENSES		17.9		24.7		35.0		42.9		48.5
16	DEPRECIATION AND AMORTIZATION EXPENSES		13.2		11.4		10.2		11.4		10.2
17	INCOME TAXES - OPERATING		-		0.4		-		-		-
18	OTHER TAXES - OPERATING		15.9		15.8		14.1		15.3		15.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		6.8		7.8		7.7		12.9		14.0
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
21	EARNINGS AVAILABLE FOR COMMON EQUITY		6.2-		1.3		17.7		2.8		7.6-
22	TOTAL		100.0		100.0		100.0		100.0		100.0
						CENTS PER THOUSAND GALLONS SOLD					
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT		18.72		16.36		14.66		15.10		20.25
24	WAGES AND BENEFITS		39.45		22.98		1.64		2.63		3.17
25	OTHER OPERATION AND MAINTENANCE EXPENSES		19.83		25.16		37.06		51.48		57.46
26	DEPRECIATION AND AMORTIZATION EXPENSES		14.63		11.62		10.81		13.64		12.04
27	INCOME TAXES - OPERATING		-		0.39		-		-		-
28	OTHER TAXES - OPERATING		17.64		16.07		14.97		18.32		18.05
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		7.56		7.98		8.13		15.47		16.54
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
31	EARNINGS AVAILABLE FOR COMMON EQUITY		6.99-		1.35		18.71		3.38		8.99-
32	TOTAL		110.82		101.91		105.99		120.01		118.51

WATER



MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

SPRING VALLEY WATER COMPANY, INCORPORATED

LINE NO	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 96,256,425	$ 91,768,225	$ 85,649,192	$ 81,686,334	$ 79,532,836
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	17,047,688	15,550,491	14,422,045	13,292,280	12,207,062
3	NET WATER PLANT	79,208,737	76,217,734	71,227,147	68,394,054	67,325,774
4	OTHER PHYSICAL PROPERTY	662	662	662	662	662
5	INVESTMENTS IN ASSOCIATED COMPANIES			-		
6	OTHER INVESTMENTS AND FUNDS		-	-		-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	662	662	662	662	662
8	CASH AND WORKING FUNDS	790,434	593,881	343,416	314,085	282,908
9	SPECIAL DEPOSITS	2,015	2,015	1,640	1,640	1,640
10	TEMPORARY CASH INVESTMENTS	-	400,000			-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	3,095,910	3,470,874	3,108,302	2,264,360	2,448,300
12	RECEIVABLES FROM ASSOCIATED COMPANIES	254,158	102,961	73,731	91,675	158,742
13	MATERIALS AND SUPPLIES	1,024,303	756,607	556,088	483,643	545,613
14	PREPAYMENTS	1,837,975	1,752,782	1,833,224	1,599,634	1,452,253
15	OTHER CURRENT AND ACCRUED ASSETS	4,410	-	-	1,888	
16	TOTAL CURRENT AND ACCRUED ASSETS	7,009,205	7,079,120	5,916,401	4,756,983	4,889,456
17	UNAMORTIZED DEBT EXPENSE	1,065,363	1,264,010	1,255,992	1,238,051	247,409
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	40,667	13,203	24,806	10,324	7,677-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	
22	OTHER DEFERRED DEBITS	470,591	590,549	907,323	1,107,940	1,215,719
23	TOTAL DEFERRED DEBITS	1,576,621	1,867,762	2,188,121	2,356,315	1,455,451
24	TOTAL ASSETS AND OTHER DEBITS	$ 87,795,225	$ 85,165,278	$ 79,332,331	$ 75,508,014	$ 73,671,343
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 13,856,490	$ 13,856,490	$ 13,856,490	$ 12,900,870	$ 12,900,870
26	PREFERRED CAPITAL STOCK	5,893,600	6,312,400	6,531,200	6,750,000	6,750,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	286,958	286,958	286,958	286,958	286,958
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	259,124	259,124	259,124	198,827	179,101
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	15,545,947	13,878,808	11,904,402	11,108,934	10,281,418
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	35,842,119	34,593,780	32,838,174	31,245,589	30,398,347
36	BONDS (LESS BONDS REACQUIRED)	19,300,000	19,600,000	19,900,000	20,200,000	21,000,000
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	19,480,000	17,120,000	12,260,000	9,700,207	9,240,000
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	38,780,000	36,720,000	32,160,000	29,900,207	30,240,000
41	NOTES AND ACCOUNTS PAYABLE	1,211,938	1,527,820	1,238,534	895,230	7,324,511
42	PAYABLES TO ASSOCIATED COMPANIES	90,469	4,149,801	6,853,497	7,578,914	133,554
43	CUSTOMERS' DEPOSITS	193,455	189,532	180,855	171,913	171,058
44	TAXES ACCRUED	3,104,641	436,582	110,254	184,597	266,123
45	OTHER CURRENT AND ACCRUED LIABILITIES	835,451	945,129	609,785	634,752	593,259
46	TOTAL CURRENT AND ACCRUED LIABILITIES	5,435,954	7,248,864	8,992,925	9,465,406	8,488,505
47	CUSTOMER ADVANCES FOR CONSTRUCTION	3,506,444	2,890,914	2,319,100	2,050,268	2,028,435
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	1,364,600	1,009,000	352,000	165,000	-
49	OTHER DEFERRED CREDITS	684,528	879,540	1,074,552	1,269,564	1,464,576
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORTIZATION	247,914	256,914	265,914	274,914	283,914
51	LIBERALIZED DEPRECIATION	2,059,966	1,695,966	1,315,366	1,023,366	765,166
52	OTHER	126,300-	129,700-	13,700	113,700	2,400
53	TOTAL DEFERRED CREDITS	7,737,152	6,602,634	5,341,232	4,896,812	4,544,491
54	OPERATING RESERVES	-	-			
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 87,795,225	$ 85,165,278	$ 79,332,331	$ 75,508,014	$ 73,671,343

SELECTED BALANCE SHEET RELATIONSHIPS

LINE NO	ITEM	1985	1984	1983	1982	1981
56	WATER PLANT PER DOLLAR OF REVENUE	3.23	3.10	3.31	3.34	4.57
57	CURRENT ASSETS / CURRENT LIABILITIES	1.29	0.98	0.66	0.50	0.58
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	51.9	51.4	49.4	48.8	49.8
59	PREFERRED STOCK	7.8	8.8	10.0	11.0	11.1
60	COMMON STOCK + OTHER PAID-IN CAPITAL	19.3	20.1	22.1	21.8	22.0
61	RETAINED EARNINGS	20.8	19.4	18.3	18.1	16.9
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	40.2	40.0	37.5	36.6	38.0
63	PERCENT OF NET WATER PLANT	48.9	48.1	45.1	43.7	44.9
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	17.7	16.9	16.8	16.2	15.3

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

SPRING VALLEY WATER COMPANY, INCORPORATED

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM		1985	1984	1983	1982	1981	LINE NO.
WATER OPERATING INCOME							
OPERATING REVENUES	$	29,094,904 $	28,608,257 $	25,252,608 $	24,103,337 $	17,130,952	1
OPERATION AND MAINTENANCE EXPENSES		9,202,727	9,619,268	8,902,934	8,772,538	7,939,331	2
DEPRECIATION		1,453,862	1,151,851	1,101,154	1,071,558	1,036,104	3
AMORTIZATION		-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES		6,913,069	7,157,331	6,591,578	5,474,051	4,655,250	5
INCOME TAXES		3,450,000	3,127,600	2,225,600	2,340,500	556,500	6
GAINS FROM DISP. OF UTILITY PLANT		-	-	-	-	-	7
LOSSES FROM DISP. OF UTILITY PLANT		-	-	-	-	-	8
TOTAL OPERATING EXPENSES		21,019,658	21,056,050	18,821,266	17,658,647	13,074,185	9
NET OPERATING REVENUES		8,075,246	7,552,207	6,431,342	6,444,690	4,056,767	10
INCOME FROM PLANT LEASED TO OTHERS		-	-	-	-	-	11
TOTAL WATER OPERATING INCOME		8,075,246	7,552,207	6,431,342	6,444,690	4,056,767	12
OTHER INCOME							
INCOME FROM MDSE, JOBBING+CONTRACT WORK		-	-	-	-	-	13
INCOME FROM NONUTILITY OPERATIONS		-	-	-	-	-	14
NONOPERATING RENTAL INCOME		-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME		85,632	35,433	54,866	79,929	69,527	16
ALLOWANCE FOR CONSTRUCTION FUNDS		430,340	693,938	307,082	217,779	214,065	17
MISCELLANEOUS NONOPERATING INCOME		19,501	22,775	34,391	19,501	19,501	18
GAIN ON DISPOSITION OF PROPERTY		-	-	-	-	-	19
TOTAL OTHER INCOME		535,473	752,146	396,339	317,209	303,093	20
TOTAL INCOME		8,610,719	8,304,353	6,827,681	6,761,899	4,359,860	21
OTHER INCOME DEDUCTIONS							
LOSS ON DISPOSITION OF PROPERTY		-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION		-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS		12,623	9,705	10,565	10,585	7,210	24
TAXES OTHER THAN INC TAXES-NONOPERATING		8,982	8,440	8,292	7,681	7,226	25
INCOME TAXES-NONOPERATING		-	-	-	-	97,500-	26
TOTAL OTHER INCOME DEDUCTIONS		21,605	18,145	18,857	18,266	83,066-	27
INCOME BEFORE INTEREST CHARGES		8,589,114	8,286,208	6,808,824	6,743,633	4,442,926	28
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		2,921,463	2,457,334	2,108,869	2,031,369	2,081,702	29
AMORT OF DEBT DISCOUNT EXPENSE		69,122	71,341	71,190	20,991	16,776	30
AMORT OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES		224,017	605,520	763,199	354,186	33,169	32
OTHER INTEREST CHARGES		22,260	21,373	22,824	661,335	1,283,546	33
TOTAL INTEREST CHARGES		3,236,862	3,155,568	2,966,682	3,067,881	3,415,193	34
EXTRAORDINARY ITEMS							
EXTRAORDINARY INCOME		-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS		-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS		-	-	-	-	-	37
NET EXTRAORDINARY ITEMS		-	-	-	-	-	38
NET INCOME	$	5,352,252 $	5,130,640 $	3,842,142 $	3,675,752 $	1,027,732	39
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$	13,878,808 $	11,904,402 $	11,108,934 $	10,281,418 $	11,771,326	40
BALANCE TRANSFERRED FROM INCOME		5,352,252	5,130,640	3,842,142	3,675,752	1,027,732	41
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK		639,552	687,868	724,517	730,625	459,484	43
-COMMON STOCK		3,045,561	2,468,366	2,322,157	2,092,807	1,978,134	44
ADJUSTMENTS TO RETAINED EARNINGS		-	-	-	24,804-	80,022-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR		15,545,947	13,878,808	11,904,402	11,108,934	10,281,418	46
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$	15,545,947 $	13,878,808 $	11,904,402 $	11,108,934 $	10,281,418	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	LINE NO.
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	31.6	33.6	35.2	36.3	46.3	49
DEPRECIATION AND AMORTIZATION	4.9	4.0	4.3	4.4	6.0	50
INCOME TAXES	11.8	10.9	8.8	9.7	3.1	51
OTHER TAXES	23.7	25.0	26.1	22.7	27.1	52
TOTAL OPERATING EXPENSES	72.2	73.6	74.5	73.2	76.3	53
OPERATING INCOME	27.7	26.3	25.4	26.7	23.6	54
DEPRECIATION + AMORT % OF WATER PLANT	1.5	1.2	1.2	1.3	1.3	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	11.1	11.0	11.7	12.7	19.9	56
PRETAX INTEREST COVERAGE	3.7	3.6	3.0	3.0	1.1	57
NET INCOME - % OF OPERATING REVENUES	18.3	17.9	15.2	15.2	5.9	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	2.1	2.4	2.8	3.0	2.6	59
TIMES EARNED	8.4	7.5	5.3	5.0	2.2	60
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	10.4	8.6	9.1	8.6	11.5	61
PERCENT OF EARNINGS AVAILABLE FOR-COMMON	64.6	55.5	74.4	71.0	-	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	18.1	18.2	12.2	12.2	2.3	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	10.4	9.0	9.1	8.6	8.1	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

SPRING VALLEY WATER COMPANY INCORPORATED

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 5,352,252	$ 5,130,640	$ 3,842,142	$ 3,675,752	$ 1,027,732
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	1,522,984	1,223,192	1,172,944	1,092,549	1,052,880
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	714,000	884,600	370,600	525,500	107,000
4	INTEREST CAPITALIZED	430,340-	693,338	307,082-	217,779-	214,065-
5	OTHER (NET)	-		-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	7,158,896	6,544,494	5,078,604	5,076,022	1,973,547
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	7,158,896	6,544,494	5,078,604	5,076,022	1,973,547
10	LESS DIVIDENDS PREFERRED	639,552	687,868	724,517	730,625	459,484
11	COMMON	3,045,561	2,468,366	2,322,157	2,092,807	1,978,134
12	NET FUNDS FROM INTERNAL SOURCES	3,473,783	3,388,260	2,031,930	2,252,590	464,071-
	EXTERNAL SOURCES					
13	LONG TERM DEBT	2,800,000	5,300,000	-		
14	PREFERRED STOCK	-	-	-		1,750,000
15	COMMON STOCK	-	-	1,015,917	19,726	43,219
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	3,000,000
17	OTHER (NET)	-	-	2,999,793	8,300,207	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	2,800,000	5,300,000	4,015,710	8,319,933	4,793,219
20	OTHER SOURCES (NET)	2,922,708	709,918	261,345	211,082	269,681
21						
22						
23	TOTAL FUNDS PROVIDED	$ 9,196,491	$ 9,398,178	$ 6,308,985	$ 10,783,605	$ 4,598,829
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 4,568,031	$ 6,218,518	$ 4,007,426	$ 2,245,938	$ 2,593,553
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	4,568,031	6,218,518	4,007,426	2,245,938	2,593,553
28	LESS INTEREST CAPITALIZED	430,340	693,338	307,082	217,779	214,065
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	4,137,691	5,524,580	3,700,344	2,028,159	2,379,488
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	740,000	740,000	740,000	1,240,000	440,000
31	PREFERRED STOCK	418,800	218,800	218,800	-	
32	REDEMPTION OF CAPITAL STOCK	-		-	-	
33	NET DECREASE IN SHORT TERM DEBT	-		-	6,500,000	
34	OTHER (NET)	3,900,000	2,808,018	717,941	1,015,446	80,022
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	5,058,800	3,766,818	1,676,741	8,755,446	520,022
37	OTHER USES (NET)	-	106,780	931,900	-	1,699,319
38						
39						
40	TOTAL FUNDS APPLIED	$ 9,196,491	$ 9,398,178	$ 6,308,985	$ 10,783,605	$ 4,598,829

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

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COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

SPRING VALLEY WATER COMPANY, INCORPORATED

ITEM		1985		1984		1983		1982		1981	LINE NO
WATER OPERATING REVENUES											
REVENUES											
METERED SALES TO GENERAL CUSTOMERS	$	24,609,170	$	24,916,218	$	21,877,472	$	20,682,426	$	14,155,128	1
UNMETERED SALES TO GENERAL CUSTOMERS		-		-		-		-		-	2
SALES TO OTHER WATER COMPANIES		23,053		28,870		29,473		24,530		14,465	3
OTHER SALES OF WATER		4,334,868		3,585,675		3,293,042		3,392,433		2,946,589	4
TOTAL REVENUES FROM SALES OF WATER		28,967,091		28,530,763		25,199,987		24,099,389		17,116,182	5
OTHER WATER OPERATING REVENUES		127,813		77,494		52,621		3,948		14,770	6
TOTAL WATER OPERATING REVENUES	$	29,094,904	$	28,608,257	$	25,252,608	$	24,103,337	$	17,130,952	7
WATER SALES(T GALLONS)											
METERED SALES TO GENERAL CUSTOMERS		7,103,901		7,483,287		7,283,837		6,983,676		6,907,302	8
UNMETERED SALES TO GENERAL CUSTOMERS		-		-		-		-		-	9
SALES TO OTHER WATER COMPANIES		12,520		16,304		19,020		15,647		12,563	10
OTHER SALES OF WATER		28,352		39,339		35,651		34,932		29,847	11
TOTAL SALES OF WATER		7,144,773		7,538,930		7,338,508		7,034,255		6,949,712	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)											
METERED SALES TO GENERAL CUSTOMERS		52,448		51,150		50,269		49,490		48,954	13
UNMETERED SALES TO GENERAL CUSTOMERS		-		-		-		-		-	14
SALES TO OTHER WATER COMPANIES		1		1		1		1		1	15
OTHER SALES OF WATER		492		467		461		440		430	16
TOTAL CUSTOMERS		52,941		51,618		50,731		49,931		49,385	17
WATER OPERATING REVENUE RELATIONSHIPS											
METERED GENERAL CUSTOMERS											
AVG. ANNUAL BILL PER CUSTOMER	$	469.21	$	487.12	$	435.20	$	417.91	$	289.15	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)		135.44		146.30		144.89		141.11		141.09	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)		346.42		332.96		300.36		296.15		204.93	20
UNMETERED GENERAL CUSTOMERS											
AVG. ANNUAL BILL PER CUSTOMER		-		-		-		-		-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)		-		-		-		-		-	22
AVG. REVENUE PER T. GALLONS SOLD(CENTS)		-		-		-		-		-	23
WATER OPERATION AND MAINTENANCE EXPENSES											
SOURCE OF SUPPLY EXPENSES	$	247,642	$	278,375	$	271,487	$	191,532	$	236,513	24
POWER AND PUMPING EXPENSES		2,722,049		2,891,558		2,843,976		2,767,806		2,449,701	25
PURIFICATION EXPENSES		497,350		553,842		529,701		507,713		346,394	26
TRANSMISSION AND DISTRIBUTION EXPENSES		1,683,320		1,819,018		1,828,266		1,743,609		1,550,258	27
CUSTOMERS ACCT G+COLLECTING EXPENSES		1,306,914		708,454		748,392		795,769		902,429	28
ADMINISTRATIVE+GENERAL EXPENSES		2,745,452		3,368,021		2,681,112		2,766,109		2,453,536	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$	9,202,727	$	9,619,268	$	8,902,934	$	8,772,538	$	7,938,831	30
WATER UTILITY PLANT											
WATER UTILITY PLANT											
PLANT IN SERVICE	$	91,294,083	$	87,326,465	$	79,344,590	$	77,886,498	$	76,184,718	31
PLANT LEASED TO OTHERS		-		-		-		-		-	32
CONSTRUCTION WORK IN PROGRESS		4,544,689		3,842,567		5,105,409		3,200,643		2,748,925	33
PLANT HELD FOR FUTURE USE		104,951		104,951		104,951		104,951		104,951	34
PLANT ACQUISITION ADJUSTMENTS		550,214		550,214		550,214		550,214		550,214	35
OTHER PLANT ADJUSTMENTS		-		-		-		-		-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS		237,512		55,972-		55,972-		55,972-		55,972-	37
TOTAL WATER UTILITY PLANT		96,256,425		91,768,225		85,649,192		81,686,334		79,532,836	38
ACCUM PROV FOR DEPR. AMORT., DEPLETION		17,047,688		15,550,491		14,422,045		13,292,280		12,207,062	39
NET WATER UTILITY PLANT	$	79,208,737	$	76,217,734	$	71,227,147	$	68,394,054	$	67,325,774	40
PLANT IN SERVICE BEGINNING OF YEAR	$	87,326,465	$	79,944,590	$	77,886,498	$	76,184,718	$	73,974,423	41
ADDITIONS		4,150,476		7,661,041		2,131,467		1,857,144		2,378,625	42
RETIREMENTS		79,831		99,485		44,568		92,439		130,143	43
TRANSFERS AND ADJUSTMENTS		103,027-		179,681-		28,807-		62,925-		38,187-	44
PLANT IN SERVICE END OF YEAR	$	91,294,083	$	87,326,465	$	79,344,590	$	77,886,498	$	76,184,718	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

SPRING VALLEY WATER COMPANY, INCORPORATED

LINE NO	ITEM		1985		1984		1983		1982		1981
1	REVENUES	$	29,094,904	$	28,608,257	$	25,252,608	$	24,103,337	$	17,130,952
2	SALES (THOUSAND GALLONS)		7,144,773		7,538,930		7,338,508		7,034,255		6,949,712
							DOLLAR AMOUNTS				
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$	2,158,526	$	2,479,271	$	2,447,408	$	2,393,276	$	2,113,784
4	WAGES AND BENEFITS		2,986,564		2,757,011		2,724,264		393,588		2,268,753
5	OTHER OPERATION AND MAINTENANCE EXPENSES		4,057,637		4,382,986		3,731,262		5,985,674		3,556,794
6	DEPRECIATION AND AMORTIZATION EXPENSES		1,453,862		1,151,851		1,101,154		1,071,558		1,036,104
7	INCOME TAXES - OPERATING		3,450,000		3,127,600		2,225,600		2,340,500		556,500-
8	OTHER TAXES - OPERATING		6,913,069		7,157,331		6,591,578		5,474,051		4,655,250
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		3,017,689		2,807,905		2,829,109		2,985,996		3,251,647
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		614,423		641,467		692,480		701,225		423,307
11	EARNINGS AVAILABLE FOR COMMON EQUITY		4,443,134		4,102,835		2,909,753		2,757,469		381,813
12	TOTAL	$	29,094,904	$	28,608,257	$	25,252,608	$	24,103,337	$	17,130,952
							PERCENT OF REVENUES				
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT		7 4		8 7		9 7		9 9		12 3
14	WAGES AND BENEFITS		10 3		9 6		10 8		1 6		13 2
15	OTHER OPERATION AND MAINTENANCE EXPENSES		13 9		15 3		14 8		24 8		20 8
16	DEPRECIATION AND AMORTIZATION EXPENSES		5 0		4 0		4 4		4 4		6 0
17	INCOME TAXES - OPERATING		11 9		10 9		8 8		9 7		3 1-
18	OTHER TAXES - OPERATING		23 8		25 0		26 1		22 7		27 2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		10 4		9 8		11 2		12 4		19 0
20	PREFERRED-DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		2 1		2 2		2 7		2 9		2 5
21	EARNINGS AVAILABLE FOR COMMON EQUITY		15 3		14 3		11 5		11 4		2 2
22	TOTAL		100 0		100 0		100 0		100 0		100 0
							CENTS PER THOUSAND GALLONS SOLD				
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT		30 21		32 89		33 35		34 02		30 42
24	WAGES AND BENEFITS		41 80		36 57		37 12		5 60		32 65
25	OTHER OPERATION AND MAINTENANCE EXPENSES		56 79		58 14		50 84		85 09		51 18
26	DEPRECIATION AND AMORTIZATION EXPENSES		20 35		15 28		15 01		15 23		14 91
27	INCOME TAXES - OPERATING		48 29		41 49		30 33		33 27		8 00-
28	OTHER TAXES - OPERATING		96 76		94 94		89 82		77 82		66 98
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		42 24		37 25		38 55		42 45		46 79
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		8 60		8 51		9 44		9 97		6 09
31	EARNINGS AVAILABLE FOR COMMON EQUITY		62 19		54 42		39 65		39 20		5 49
32	TOTAL		407 22		379 47		344 11		342 66		246 50

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

STERLING FOREST WATER CORP

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 1,789,664	$ 1,777,695	$ 1,768,429	$ 1,740,868	$ 1,718,765
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	680,945	639,247	613,785	576,400	541,441
3	NET WATER PLANT	1,108,719	1,138,448	1,154,644	1,164,468	1,177,324
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS		-	-	-	
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-	-	-	-	-
8	CASH AND WORKING FUNDS	10,317	41,284	18,312	10,544	13,402
9	SPECIAL DEPOSITS	50	50	50	50	50
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	76,882	39,490	40,464	49,309	38,429
12	RECEIVABLES FROM ASSOCIATED COMPANIES	9,004	-	-	-	-
13	MATERIALS AND SUPPLIES	5,335	5,061	3,334	3,766	3,552
14	PREPAYMENTS	19,444	18,592	19,248	18,333	16,925
5	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
	TOTAL CURRENT AND ACCRUED ASSETS	121,032	104,477	81,408	82,002	72,358
17	UNAMORTIZED DEBT EXPENSE	1,486	2,010	2,535	3,061	3,585
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-		-	-
20	CLEARING ACCOUNTS	-	-		-	
21	ACCUMULATED DEFERRED INCOME TAXES	-	-		-	-
22	OTHER DEFERRED DEBITS	1,871	602	1,004	1,436	4,034
23	TOTAL DEFERRED DEBITS	3,357	2,612	3,539	4,497	7,619
24	TOTAL ASSETS AND OTHER DEBITS	$ 1,233,108	$ 1,245,537	$ 1,239,591	$ 1,250,967	$ 1,257,301
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 250,000	$ 250,000	$ 250,000	$ 250,000	$ 250,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-		
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-			
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-			-
31	OTHER PAID-IN CAPITAL	50,000	50,000	50,000	50,000	50,000
32	CAPITAL STOCK EXPENSE	-	-	-	-	
33	RETAINED EARNINGS	772,514	680,693	589,215	558,215	520,623
34	REACQUIRED CAPITAL STOCK		-	-		
35	TOTAL PROPRIETARY CAPITAL	1,072,514	980,693	889,215	858,215	820,623
36	BONDS (LESS BONDS REACQUIRED)	75,000	100,000	125,000	150,000	175,000
37	ADVANCES FROM ASSOCIATED COMPANIES		-	-	-	
38	OTHER LONG TERM DEBT		-	-		-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-		-
40	TOTAL LONG TERM DEBT	75,000	100,000	125,000	150,000	175,000
41	NOTES AND ACCOUNTS PAYABLE	4,558	3,174	4,043	4,674	8,971
42	PAYABLES TO ASSOCIATED COMPANIES		81,573	142,939	157,451	172,416
43	CUSTOMERS' DEPOSITS		-	-		
44	TAXES ACCRUED	2,692	1,314	389-	204	455
45	OTHER CURRENT AND ACCRUED LIABILITIES	656	1,095	1,095	2,735	2,148
46	TOTAL CURRENT AND ACCRUED LIABILITIES	7,906	87,156	147,688	165,064	183,990
47	CUSTOMER ADVANCES FOR CONSTRUCTION	77,688	77,688	77,688	77,688	77,688
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	-	-	-	-	-
49	OTHER DEFERRED CREDITS	-	-			-
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-			-
51	LIBERALIZED DEPRECIATION	-	-			-
52	OTHER	-	-			
53	TOTAL DEFERRED CREDITS	77,688	77,688	77,688	77,688	77,688
54	OPERATING RESERVES	-	-			-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,233,108	$ 1,245,537	$ 1,239,591	$ 1,250,967	$ 1,257,301

SELECTED BALANCE SHEET RELATIONSHIPS

LINE NO.	ITEM	1985	1984	1983	1982	1981
56	WATER PLANT PER DOLLAR OF REVENUE	4.40	4.27	5.01	4.74	4.39
57	CURRENT ASSETS / CURRENT LIABILITIES	15.31	1.20	0.55	0.50	0.39
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	6.5	9.2	12.3	14.8	17.5
59	PREFERRED STOCK	-	-	-	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	26.1	27.1	29.5	29.7	30.1
61	RETAINED EARNINGS	67.3	62.9	58.0	55.3	52.2
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	4.1	5.6	7.0	8.6	10.1
63	PERCENT OF NET WATER PLANT	6.7	8.7	10.8	12.8	14.8
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	38.0	35.9	34.7	33.1	31.5

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

STERLING FOREST WATER CORP

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM		1985	1984	1983	1982	1981	LINE NO
WATER OPERATING INCOME							
OPERATING REVENUES	$	405,376 $	415,312 $	350,497 $	364,748 $	388,961	1
OPERATION AND MAINTENANCE EXPENSES		168,841	176,808	172,896	189,312	168,725	2
DEPRECIATION		41,698	39,466	37,384	34,959	34,645	3
AMORTIZATION		-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES		89,354	91,998	89,510	79,718	79,539	5
INCOME TAXES		-	-	-	-	-	6
GAINS FROM DISP OF UTILITY PLANT							7
LOSSES FROM DISP OF UTILITY PLANT							8
TOTAL OPERATING EXPENSES		299,893	308,272	299,790	303,989	282,909	9
NET OPERATING REVENUES		105,483	107,040	50,707	60,759	106,052	10
INCOME FROM PLANT LEASED TO OTHERS		-	-	-	-	-	11
TOTAL WATER OPERATING INCOME		105,483	107,040	50,707	60,759	106,052	12
OTHER INCOME							
INCOME FROM MDSE, JOBBING+CONTRACT WORK		-			-	-	13
INCOME FROM NONUTILITY OPERATIONS		-			-	-	14
NONOPERATING RENTAL INCOME		-		-	-	-	15
INTEREST AND DIVIDEND INCOME		-	-	-	-	-	16
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	-	-	-	17
MISCELLANEOUS NONOPERATING INCOME		-	-	-	-	-	18
GAIN ON DISPOSITION OF PROPERTY		-	-	-	-	-	19
TOTAL OTHER INCOME		-	-	-	-	-	20
TOTAL INCOME		105,483	107,040	50,707	60,759	106,052	21
OTHER INCOME DEDUCTIONS							
LOSS ON DISPOSITION OF PROPERTY		-	-	-	-	1,613	22
MISCELLANEOUS AMORTIZATION		-	-	-	-		23
MISCELLANEOUS DEDUCTIONS		-	-	-	-		24
TAXES OTHER THAN INC TAXES-NONOPERATING		-	-	-	-	-	25
INCOME TAXES-NONOPERATING		-	-	-	-		26
TOTAL OTHER INCOME DEDUCTIONS		-	-	-	-	1,613	27
INCOME BEFORE INTEREST CHARGES		105,483	107,040	50,707	60,759	104,439	28
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		4,812	6,563	7,438	9,188	10,281	29
AMORT OF DEBT DISCOUNT EXPENSE		524	525	526	524	524	30
AMORT OF PREMIUM ON DEBT-CREDIT		-	-	-	-		31
INTEREST ON DEBT TO ASSOCIATED COMPANIES		8,326	10,034	-	13,455	15,165	32
OTHER INTEREST CHARGES		-	-	11,743	-	-	33
TOTAL INTEREST CHARGES		13,662	17,122	19,707	23,167	25,970	34
EXTRAORDINARY ITEMS							
EXTRAORDINARY INCOME		-	1,560		-		35
EXTRAORDINARY DEDUCTIONS		-	-		-		36
INCOME TAXES EXTRAORDINARY ITEMS		-	-		-		37
NET EXTRAORDINARY ITEMS		-	1,560		-		38
NET INCOME	$	91,821 $	91,478 $	31,000 $	37,592 $	78,469	39
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$	680,693 $	589,215 $	558,215 $	520,623 $	442,154	40
BALANCE TRANSFERRED FROM INCOME		91,821	91,478	31,000	37,592	78,469	41
APPROPRIATIONS OF RETAINED EARNINGS		-	-		-		42
DIVIDENDS DECLARED-PREFERRED STOCK		-	-	-	-		43
-COMMON STOCK		-	-		-		44
ADJUSTMENTS TO RETAINED EARNINGS		-	-	-		-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR		772,514	680,693	589,215	558,215	520,623	46
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$	772,514 $	680,693 $	589,215 $	558,215 $	520,623	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	LINE NO
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	41.6	42.5	49.3	51.9	43.3	49
DEPRECIATION AND AMORTIZATION	10.2	9.5	10.6	9.5	8.9	50
INCOME TAXES	-	-	-	-		51
OTHER TAXES	22.0	22.1	25.5	21.8	20.4	52
TOTAL OPERATING EXPENSES	73.9	74.2	85.5	83.3	72.7	53
OPERATING INCOME	26.0	25.7	14.4	16.6	27.2	54
DEPRECIATION + AMORT % OF WATER PLANT	2.3	2.2	2.1	2.0	2.0	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	3.4	4.1	5.6	6.4	6.7	56
PRETAX INTEREST COVERAGE	7.7	6.3	2.6	2.6	4.0	57
NET INCOME - % OF OPERATING REVENUES	22.6	22.0	8.8	10.3	20.1	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	59
TIMES EARNED	-	-	-	-	-	60
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	61
PERCENT OF EARNINGS AVAILABLE FOR-COMMON		-	-	-	-	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	8.9	9.7	3.5	4.4	10.0	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	-	-	-	-	-	64

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

STERLING FOREST WATER CORP

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 91,821	$ 89,918	$ 31,000	$ 37,592	$ 78,469
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	42,624	40,393	38,343	38,081	29,973
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	-		-	-	
4	INTEREST CAPITALIZED		-	-	-	
5	OTHER (NET)			-	-	
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	134,445	130,311	69,343	75,673	108,442
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES		1,560	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	134,445	131,871	69,343	75,673	108,442
10	LESS DIVIDENDS PREFERRED		-			
11	COMMON	-	-	-		-
12	NET FUNDS FROM INTERNAL SOURCES	134,445	131,871	69,343	75,673	108,442
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-		
14	PREFERRED STOCK	-	-	-	-	
15	COMMON STOCK	-	-			
16	NET INCREASE IN SHORT TERM DEBT	-	-			
17	OTHER (NET)	-	1,820	-		
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	1,820			
20	OTHER SOURCES (NET)	95,805-	83,601-			3,228
21						
22						
23	TOTAL FUNDS PROVIDED	$ 38,640	$ 50,090	$ 69,343	$ 75,673	$ 111,670
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 11,969	$ 25,090	$ 27,561	$ 22,103	$ 28,626
25	NON-UTILITY PLANT	-	-	-		
26	OTHER	-	-	-		
27	TOTAL GROSS ADDITIONS	11,969	25,090	27,561	22,103	28,626
28	LESS INTEREST CAPITALIZED	-	-	-		
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	11,969	25,090	27,561	22,103	28,626
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	25,000	25,000	25,000	25,000	25,000
31	PREFERRED STOCK	-	-	-		
32	REDEMPTION OF CAPITAL STOCK	-	-	-		
33	NET DECREASE IN SHORT TERM DEBT	-	-	-		
34	OTHER (NET)	-	-	-	-	
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	25,000	25,000	25,000	25,000	25,000
37	OTHER USES (NET)	1,671	-	16,782	28,570	64,044
38						
39						
40	TOTAL FUNDS APPLIED	$ 38,640	$ 50,090	$ 69,343	$ 75,673	$ 111,670

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

STERLING FOREST WATER CORP

WATER OPERATING REVENUES

ITEM	1985	1984	1983	1982	1981	LINE NO
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 365,614	$ 374,537	$ 312,424	$ 321,318	$ 345,686	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	962	858	840	840	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	29,170	29,196	23,998	23,433	23,278	4
TOTAL REVENUES FROM SALES OF WATER	394,784	404,695	337,280	345,591	369,804	5
OTHER WATER OPERATING REVENUES	10,592	10,617	13,217	19,157	19,157	6
TOTAL WATER OPERATING REVENUES	$ 405,376	$ 415,312	$ 350,497	$ 364,748	$ 388,961	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	82,091	97,335	106,165	110,387	131,915	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	82,091	97,335	106,165	110,387	131,915	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	224	223	221	219	216	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	1	1	1	1	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	4	4	4	4	4	16
TOTAL CUSTOMERS	228	228	226	224	221	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 1,632.20	$ 1,679.53	$ 1,413.68	$ 1,467.20	$ 1,600.39	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	366.47	436.47	480.38	504.05	610.71	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	445.38	384.79	294.28	291.08	262.05	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	$ 962.00	$ 858.00	$ 840.00	$ 840.00	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T GALLONS SOLD(CENTS)	-	-	-	-	-	23

WATER OPERATION AND MAINTENANCE EXPENSES

ITEM	1985	1984	1983	1982	1981	LINE NO
SOURCE OF SUPPLY EXPENSES	$ 4,531	$ 1,689	$ 2,384	$ 867	$ 3,120	24
POWER AND PUMPING EXPENSES	58,534	63,038	62,018	52,050	49,795	25
PURIFICATION EXPENSES	35,731	39,677	40,244	64,672	50,771	26
TRANSMISSION AND DISTRIBUTION EXPENSES	11,945	17,132	13,820	17,006	12,027	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	1,070	1,149	669	671	749	28
ADMINISTRATIVE+GENERAL EXPENSES	57,030	54,123	53,761	54,047	52,263	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 168,841	$ 176,808	$ 172,896	$ 189,312	$ 168,725	30

WATER UTILITY PLANT

ITEM	1985	1984	1983	1982	1981	LINE NO
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 1,782,660	$ 1,770,691	$ 1,761,425	$ 1,730,615	$ 1,708,512	31
PLANT LEASED TO OTHERS	7,004	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	-	-	-	2,742	2,742	33
PLANT HELD FOR FUTURE USE	-	7,004	7,004	7,511	7,511	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	1,789,664	1,777,695	1,768,429	1,740,868	1,718,765	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION	680,945	639,247	613,785	576,400	541,441	39
NET WATER UTILITY PLANT	$ 1,108,719	$ 1,138,448	$ 1,154,644	$ 1,164,468	$ 1,177,324	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,770,691	$ 1,761,425	$ 1,730,615	$ 1,708,512	$ 1,684,695	41
ADDITIONS	11,969	25,090	30,810	22,103	33,045	42
RETIREMENTS	-	15,824	-	-	9,228	43
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 1,782,660	$ 1,770,691	$ 1,761,425	$ 1,730,615	$ 1,708,512	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

STERLING FOREST WATER CORP

LINE NO	ITEM	1985	1984	1983	1982	1981
1	REVENUES	$ 405,376	$ 415,312	$ 350,497	$ 364,748	$ 388,961
2	SALES (THOUSAND GALLONS)	82,091	97,335	106,165	110,387	131,915
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 46,585	$ 52,751	$ 53,270	$ 56,081	$ 58,944
4	WAGES AND BENEFITS	76,505	75,228	67,563	62,989	58,482
5	OTHER OPERATION AND MAINTENANCE EXPENSES	45,751	48,829	52,063	70,242	51,299
6	DEPRECIATION AND AMORTIZATION EXPENSES	41,698	39,466	37,384	34,959	34,645
7	INCOME TAXES - OPERATING	-	-	-	-	-
8	OTHER TAXES - OPERATING	89,354	91,998	89,510	79,718	79,539
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	13,662	17,122	19,707	23,167	25,970
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	91,821	89,918	31,000	37,592	80,082
12	TOTAL	$ 405,376	$ 415,312	$ 350,497	$ 364,748	$ 388,961
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	11.5	12.7	15.2	15.4	15.2
14	WAGES AND BENEFITS	18.9	18.1	19.3	17.3	15.0
15	OTHER OPERATION AND MAINTENANCE EXPENSES	11.3	11.8	14.9	19.3	13.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	10.3	9.5	10.7	9.6	8.9
17	INCOME TAXES - OPERATING	-	-	-	-	-
18	OTHER TAXES - OPERATING	22.0	22.2	25.5	21.9	20.4
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.4	4.1	5.6	6.4	6.7
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	22.7	21.7	8.8	10.3	20.6
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	56.75	54.20	50.18	50.80	44.68
24	WAGES AND BENEFITS	93.20	77.29	63.64	57.06	44.33
25	OTHER OPERATION AND MAINTENANCE EXPENSES	55.73	50.17	49.04	63.63	38.89
26	DEPRECIATION AND AMORTIZATION EXPENSES	50.79	40.55	35.21	31.67	26.26
27	INCOME TAXES - OPERATING	-	-	-	-	-
28	OTHER TAXES - OPERATING	108.85	94.52	84.31	72.22	60.30
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	16.64	17.59	18.56	20.99	19.69
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	111.85	92.38	29.20	34.05	60.71
32	TOTAL	493.81	426.68	330.14	330.43	294.86

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

WANAKAH WATER COMPANY

LINE NO.	ITEM	1985	1984	1983	1982	1981
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 2,546,037	$ 2,428,406	$ 2,326,592	$ 2,250,349	$ 2,171,036
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	689,595	656,815	629,923	618,548	586,660
3	NET WATER PLANT	1,856,442	1,771,591	1,696,669	1,631,801	1,584,376
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-	-	-	-	-
8	CASH AND WORKING FUNDS	3,238	11,528	12,424	22,122	18,216
9	SPECIAL DEPOSITS	-	-	-	-	-
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	128,895	117,724	103,308	92,032	88,802
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	1,446	-
13	MATERIALS AND SUPPLIES	21,181	16,095	17,703	19,771	18,586
14	PREPAYMENTS	51,897	43,104	41,215	37,337	34,022
15	OTHER CURRENT AND ACCRUED ASSETS	104,512	104,512	96,998	81,608	71,840
16	TOTAL CURRENT AND ACCRUED ASSETS	309,723	292,963	271,648	254,316	231,466
17	UNAMORTIZED DEBT EXPENSE	25,485	31,016	36,575	11,227	15,372
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	47,834	63,390	83,469	44,368	39,792
23	TOTAL DEFERRED DEBITS	73,319	94,406	120,044	55,595	55,164
24	TOTAL ASSETS AND OTHER DEBITS	$ 2,239,484	$ 2,158,960	$ 2,088,361	$ 1,941,712	$ 1,871,006
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 215,150	$ 215,150	$ 215,150	$ 215,150	$ 215,150
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	22,870	22,870	22,870	22,870	22,870
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	100,000	100,000	100,000	100,000	100,000
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	388,190	388,180	416,822	400,972	383,315
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	726,210	726,200	754,842	738,992	721,335
36	BONDS (LESS BONDS REACQUIRED)	1,010,000	1,015,000	1,020,000	779,000	791,000
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	37,277	44,530	51,270	57,532	63,350
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	1,047,277	1,059,530	1,071,270	836,532	854,350
41	NOTES AND ACCOUNTS PAYABLE	245,835	113,728	66,396	223,492	151,536
42	PAYABLES TO ASSOCIATED COMPANIES	38,605	80,969	40,880	6,446	23,181
43	CUSTOMERS' DEPOSITS	2,875	3,150	3,775	4,875	5,126
44	TAXES ACCRUED	13,408-	6,211-	11,379-	8,583-	15,357-
45	OTHER CURRENT AND ACCRUED LIABILITIES	38,609	36,344	26,015	40,673	43,375
46	TOTAL CURRENT AND ACCRUED LIABILITIES	312,516	228,680	126,287	268,703	207,860
47	CUSTOMER ADVANCES FOR CONSTRUCTION	618	-	-	-	-
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	92,598	89,130	83,101	76,595	70,162
49	OTHER DEFERRED CREDITS	-	-	-	-	-
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	-	-	-	-	-
52	OTHER	60,265	55,520	52,861	20,890	17,299
53	TOTAL DEFERRED CREDITS	153,481	144,650	135,962	97,485	87,461
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 2,239,484	$ 2,158,960	$ 2,088,361	$ 1,941,712	$ 1,871,006
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	WATER PLANT PER DOLLAR OF REVENUE	2.26	2.29	2.40	2.54	2.87
57	CURRENT ASSETS / CURRENT LIABILITIES	0.99	1.28	2.15	0.95	1.11
	PERCENT OF CAPITALIZATION					
58	LONG-TERM DEBT	59.0	59.3	58.6	53.0	54.2
59	PREFERRED STOCK	-	-	-	-	-
60	COMMON STOCK + OTHER PAID-IN CAPITAL	19.0	18.9	18.5	21.4	21.4
61	RETAINED EARNINGS	21.8	21.7	22.8	25.4	24.3
	LONG-TERM DEBT					
62	PERCENT OF GROSS WATER PLANT	41.1	43.6	46.0	37.1	39.3
63	PERCENT OF NET WATER PLANT	56.4	59.8	63.1	51.2	53.9
64	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	27.0	27.0	27.0	27.4	27.0

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

WANAKAH WATER COMPANY

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM		1985	1984	1983	1982	1981	LINE NO
WATER OPERATING INCOME							
OPERATING REVENUES	$	1,100,980 $	1,0[illegible],186 $	953,317 $	837,166 $	747,066	1
OPERATION AND MAINTENANCE EXPENSES		583,645	545,901	507,103	444,473	389,655	2
DEPRECIATION		39,661	38,024	37,571	37,258	37,489	3
AMORTIZATION		-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES		205,882	198,913	184,005	169,272	148,715	5
INCOME TAXES		43,978	38,327	41,748	14,705	18,303	6
GAINS FROM DISP. OF UTILITY PLANT							7
LOSSES FROM DISP. OF UTILITY PLANT					-		8
TOTAL OPERATING EXPENSES		873,166	821,165	770,427	665,708	594,162	9
NET OPERATING REVENUES		227,814	216,021	182,890	171,458	152,904	10
INCOME FROM PLANT LEASED TO OTHERS		-	-	-	-	-	11
TOTAL WATER OPERATING INCOME		227,814	216,021	182,890	171,458	152,904	12
OTHER INCOME							
INCOME FROM MDSE. JOBBING-CONTRACT WORK		-	-	-			13
INCOME FROM NONUTILITY OPERATIONS			-	-	-		14
NONOPERATING RENTAL INCOME			-		-		15
INTEREST AND DIVIDEND INCOME			62	215	735	290	16
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	-	-	-	17
MISCELLANEOUS NONOPERATING INCOME		1,057	663	4,535	194	641	18
GAIN ON DISPOSITION OF PROPERTY		-	-	-	-	-	19
TOTAL OTHER INCOME		1,057	725	4,750	929	931	20
TOTAL INCOME		228,871	216,746	187,640	172,387	153,835	21
OTHER INCOME DEDUCTIONS							
LOSS ON DISPOSITION OF PROPERTY		-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION		-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS		479	1,065	725	982	682-	24
TAXES OTHER THAN INC TAXES-NONOPERATING		-	-	-	-	-	25
INCOME TAXES-NONOPERATING		-	-	-	-	-	26
TOTAL OTHER INCOME DEDUCTIONS		479	1,065	725	982	682-	27
INCOME BEFORE INTEREST CHARGES		228,392	215,681	186,915	171,405	154,517	28
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		116,991	117,930	78,134	76,117	77,705	29
AMORT OF DEBT DISCOUNT EXPENSE		5,532	5,559	3,551	4,639	4,945	30
AMORT OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES		-	-	-	-	-	32
OTHER INTEREST CHARGES		20,259	13,861	33,441	31,897	22,818	33
TOTAL INTEREST CHARGES		142,782	137,350	115,126	112,653	105,468	34
EXTRAORDINARY ITEMS							
EXTRAORDINARY INCOME		-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS		-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS		-	-	-	-	-	37
NET EXTRAORDINARY ITEMS		-	-	-	-	-	38
NET INCOME	$	85,610 $	78,331 $	71,789 $	58,752 $	49,049	39
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$	388,180 $	416,822 $	400,972 $	383,316 $	369,767	40
BALANCE TRANSFERRED FROM INCOME		85,610	78,331	71,789	58,752	49,049	41
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK		-	-	-	-	-	43
-COMMON STOCK		85,600	106,973	55,939	41,095	35,500	44
ADJUSTMENTS TO RETAINED EARNINGS		-	-	-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR		388,190	388,180	416,822	400,972	383,316	46
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$	388,190 $	388,180 $	416,822 $	400,972 $	383,316	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1985	1984	1983	1982	1981	LINE NO
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	53.0	52.6	53.1	53.0	52.1	49
DEPRECIATION AND AMORTIZATION	3.6	3.6	3.9	4.4	5.0	50
INCOME TAXES	3.9	3.6	4.3	1.7	2.4	51
OTHER TAXES	18.6	19.1	19.3	20.2	19.9	52
TOTAL OPERATING EXPENSES	79.3	79.1	80.8	79.5	79.5	53
OPERATING INCOME	20.6	20.8	19.1	20.4	20.4	54
DEPRECIATION + AMORT % OF WATER PLANT	1.5	1.5	1.6	1.6	1.7	55
INTEREST EXPENSE						
PERCENT OF OPERATING REVENUES	13.0	13.2	12.1	13.5	14.1	56
PRETAX INTEREST COVERAGE	1.9	1.8	2.0	1.7	1.6	57
NET INCOME - % OF OPERATING REVENUES	7.7	7.5	7.5	7.0	6.5	58
DIVIDEND APPROPRIATIONS, PREFERRED STOCK						
PERCENT OF OPERATING REVENUES	-	-	-	-	-	59
TIMES EARNED	-	-	-	-	-	60
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF OPERATING REVENUES	7.7	10.3	5.8	4.9	4.7	61
PERCENT OF EARNINGS AVAILABLE FOR-COMMON	99.9	136.5	77.9	69.9	72.3	62
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	11.7	10.5	9.6	8.0	6.8	63
DIVIDEND APPROPRIATIONS, COMMON STOCK	11.7	14.4	7.4	5.6	4.9	64

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MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

WANAKAH WATER COMPANY

LINE NO	ITEM	1985	1984	1983	1982	1981
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 85,810	$ 78,331	$ 71,789	$ 58,752	$ 49,049
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	71,386	78,348	37,571	37,258	37,488
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	8,214	8,688	38,477	10,024	669
4	INTEREST CAPITALIZED	-	-			
5	OTHER (NET)	-	-			
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	165,810	165,367	147,837	106,034	87,206
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-		
9	TOTAL FUNDS FROM INTERNAL SOURCES	165,810	165,367	147,837	106,034	87,206
10	LESS DIVIDENDS: PREFERRED	-	-			
11	COMMON	85,600	106,973	55,939	41,095	35,501
12	NET FUNDS FROM INTERNAL SOURCES	80,210	58,394	91,898	64,939	51,705
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	400,000		
14	PREFERRED STOCK	-	-			
15	COMMON STOCK	-	-	-		
16	NET INCREASE IN SHORT TERM DEBT	109,550	70,000	-	65,000	70,000
17	OTHER (NET)	-	-	-		
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	109,550	70,000	400,000	65,000	70,000
20	OTHER SOURCES (NET)	1,618	10,978			
21						
22						
23	TOTAL FUNDS PROVIDED	$ 191,378	$ 139,372	$ 491,898	$ 129,939	$ 121,705
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 125,511	$ 112,948	$ 102,715	$ 84,682	$ 72,629
25	NON-UTILITY PLANT	-	-	-		
26	OTHER	-	-	-		
27	TOTAL GROSS ADDITIONS	125,511	112,948	102,715	84,682	72,629
28	LESS INTEREST CAPITALIZED	-	-	-		
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	125,511	112,948	102,715	84,682	72,629
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	5,000	5,000	154,000	17,816	17,403
31	PREFERRED STOCK	-	-		-	
32	REDEMPTION OF CAPITAL STOCK	-		-		
33	NET DECREASE IN SHORT TERM DEBT	-	-	180,000	-	
34	OTHER (NET)	7,254	7,250		434	
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	12,254	12,250	334,000	18,250	17,403
37	OTHER USES (NET)	53,613	14,176	55,183	27,007	31,673
38						
39						
40	TOTAL FUNDS APPLIED	$ 191,378	$ 139,372	$ 491,898	$ 129,939	$ 121,705

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

WANAKAH WATER COMPANY

ITEM		1985		1984		1983		1982		1981	LINE NO.
WATER OPERATING REVENUES											
REVENUES											
METERED SALES TO GENERAL CUSTOMERS	$	964,118	$	906,119	$	839,683	$	734,206	$	656,657	1
UNMETERED SALES TO GENERAL CUSTOMERS		-		-		-		-		-	2
SALES TO OTHER WATER COMPANIES		-		-		-		-		-	3
OTHER SALES OF WATER		125,484		122,706		105,412		94,879		83,834	4
TOTAL REVENUES FROM SALES OF WATER		1,089,602		1,028,825		945,095		829,085		740,493	5
OTHER WATER OPERATING REVENUES		11,378		8,361		8,222		8,081		6,573	6
TOTAL WATER OPERATING REVENUES	$	1,100,980	$	1,037,186	$	953,317	$	837,166	$	747,066	7
WATER SALES(T GALLONS)											
METERED SALES TO GENERAL CUSTOMERS		259,635		264,379		271,217		266,086		269,182	8
UNMETERED SALES TO GENERAL CUSTOMERS		-		-		-		-		-	9
SALES TO OTHER WATER COMPANIES		-		-		-		-		-	10
OTHER SALES OF WATER		-		-		-		-		-	11
TOTAL SALES OF WATER		259,635		264,379		271,217		266,086		269,182	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)											
METERED SALES TO GENERAL CUSTOMERS		3,509		3,502		3,502		3,471		3,465	13
UNMETERED SALES TO GENERAL CUSTOMERS		-		-		-		-		-	14
SALES TO OTHER WATER COMPANIES		-		-		-		-		-	15
OTHER SALES OF WATER		7		8		8		9		9	16
TOTAL CUSTOMERS		3,516		3,510		3,510		3,480		3,474	17
WATER OPERATING REVENUE RELATIONSHIPS											
METERED GENERAL CUSTOMERS											
AVG. ANNUAL BILL PER CUSTOMER	$	274.75	$	258.74	$	239.77	$	211.53	$	189.51	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)		73.99		75.49		77.44		76.66		77.68	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)		371.34		342.73		309.60		275.93		243.95	20
UNMETERED GENERAL CUSTOMERS											
AVG. ANNUAL BILL PER CUSTOMER		-		-		-		-		-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)		-		-		-		-		-	22
AVG. REVENUE PER T GALLONS SOLD(CENTS)		-		-		-		-		-	23
WATER OPERATION AND MAINTENANCE EXPENSES											
SOURCE OF SUPPLY EXPENSES	$	7,432	$	7,995	$	6,348	$	8,053	$	3,623	24
POWER AND PUMPING EXPENSES		68,396		72,680		73,947		71,768		65,099	25
PURIFICATION EXPENSES		72,205		64,789		61,875		58,718		55,899	26
TRANSMISSION AND DISTRIBUTION EXPENSES		135,126		104,921		90,311		84,379		72,406	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES		46,186		39,633		39,552		33,288		31,144	28
ADMINISTRATIVE+GENERAL EXPENSES		254,300		255,877		235,072		189,660		153,480	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$	583,645	$	545,901	$	507,103	$	444,472	$	381,656	30
WATER UTILITY PLANT											
WATER UTILITY PLANT											
PLANT IN SERVICE	$	2,491,004	$	2,410,574	$	2,324,683	$	2,248,907	$	2,169,278	31
PLANT LEASED TO OTHERS		-		-		-		-		-	32
CONSTRUCTION WORK IN PROGRESS		53,741		16,540		617		[illegible]		498	33
PLANT HELD FOR FUTURE USE		1,292		1,292		1,292		1,292		1,292	34
PLANT ACQUISITION ADJUSTMENTS		-		-		-		-		-	35
OTHER PLANT ADJUSTMENTS		-		-		-		-		-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS		-		-		-		-		-	37
TOTAL WATER UTILITY PLANT		2,546,037		2,428,406		2,326,592		2,250,349		2,171,068	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION		689,595		656,815		629,923		618,548		586,692	39
NET WATER UTILITY PLANT	$	1,856,442	$	1,771,591	$	1,696,669	$	1,631,801	$	1,584,376	40
PLANT IN SERVICE BEGINNING OF YEAR	$	2,410,574	$	2,324,684	$	2,248,907	$	2,169,278	$	2,117,524	41
ADDITIONS		87,312		97,022		102,248		85,998		81,951	42
RETIREMENTS		6,882		11,132		26,471		6,369		30,197	43
TRANSFERS AND ADJUSTMENTS		-		-		-		-		-	44
PLANT IN SERVICE END OF YEAR	$	2,491,004	$	2,410,574	$	2,324,684	$	2,248,907	$	2,169,278	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

WANAKAH WATER COMPANY

LINE NO	ITEM		1985		1984		1983		1982		1981
1	REVENUES	$	1,100,980	$	1,037,186	$	953,317	$	837,166	$	747,066
2	SALES (THOUSAND GALLONS)		259,635		264,379		271,217		266,088		269,182
						DOLLAR AMOUNTS					
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$	56,458	$	57,173	$	51,594	$	57,240	$	61,100
4	WAGES AND BENEFITS		254,504		251,748		241,018		217,582		183,379
5	OTHER OPERATION AND MAINTENANCE EXPENSES		272,683		236,980		214,491		169,650		144,577
6	DEPRECIATION AND AMORTIZATION EXPENSES		39,661		38,024		37,571		37,258		37,489
7	INCOME TAXES - OPERATING		43,978		38,327		41,748		14,705		18,303
8	OTHER TAXES - OPERATING		205,882		198,913		184,005		169,272		148,715
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		142,782		137,350		115,126		112,653		105,468
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
11	EARNINGS AVAILABLE FOR COMMON EQUITY		85,032		78,671		67,764		58,805		47,436
12	TOTAL	$	1,100,980	$	1,037,186	$	953,317	$	837,166	$	747,066
						PERCENT OF REVENUES					
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT		5.1		5.5		5.4		6.8		8.2
14	WAGES AND BENEFITS		23.1		24.3		25.3		26.0		24.5
15	OTHER OPERATION AND MAINTENANCE EXPENSES		24.8		22.8		22.5		20.3		19.4
16	DEPRECIATION AND AMORTIZATION EXPENSES		3.6		3.7		3.9		4.5		5.0
17	INCOME TAXES - OPERATING		4.0		3.7		4.4		1.8		2.4
18	OTHER TAXES - OPERATING		18.7		19.2		19.3		20.2		19.9
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		13.0		13.2		12.1		13.5		14.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
21	EARNINGS AVAILABLE FOR COMMON EQUITY		7.7		7.6		7.1		7.0		6.3
22	TOTAL		100.0		100.0		100.0		100.0		100.0
						CENTS PER THOUSAND GALLONS SOLD					
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT		21.75		21.63		19.02		21.51		22.70
24	WAGES AND BENEFITS		98.02		95.22		88.87		81.77		68.35
25	OTHER OPERATION AND MAINTENANCE EXPENSES		105.03		89.64		79.08		63.76		53.71
26	DEPRECIATION AND AMORTIZATION EXPENSES		15.28		14.38		13.85		14.00		13.93
27	INCOME TAXES - OPERATING		16.94		14.50		15.39		5.53		6.80
28	OTHER TAXES - OPERATING		79.30		75.24		67.84		63.62		55.25
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		54.99		51.95		42.45		42.34		39.18
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
31	EARNINGS AVAILABLE FOR COMMON EQUITY		32.75		29.76		24.99		22.10		17.62
32	TOTAL		424.05		392.31		351.50		314.62		277.53

SECTION V.

RATE OF RETURN ON UTILITY RATE BASE

All Companies

SECTION V

Rate of Return on Utility Rate Base

This section presents the computed rates of return on utility rate base for the years 1981 through 1985 for all companies included in this publication. For combination electric and gas corporations, rates of return for each major department are computed.

Rates of return were calculated on a uniform basis from information filed in company annual reports to the Commission, using the formula described below. In this formula, the rate base is the average of the beginning and end of year net utility plant, including an allocation of net common plant where applicable, less average accumulated deferred income taxes, plus an average of materials and supplies and prepayments, plus an allowance for cash working capital. Cash working capital represents one-eighth of operation and maintenance expenses (year-end) less any purchased power, gas, or water for resale. For telephone companies, cash working capital represents a percentage of operation and maintenance expenses (year-end) based on an average of lag days per year. A detailed explanation of the method of calculating the rate of return appears below.

It should be noted that these calculations on rates of return are not intended as an evaluation of the reasonableness of the earnings of any utility under the jurisdiction of the Public Service Commission. Also, the earned rates of return, as computed herein, are not necessarily the same rates of return that would be computed by the staff in a formal proceeding, because the data are analyzed in greater detail in formal proceedings and some adjustments are usually made to booked amounts.

Table A distributes the companies according to 1985 rates of return. Forty-seven of the seventy-six rates of return (the seven combination companies are included in both electric and gas companies) increased in 1985 compared to 1984. Table B represents the aggregate average rate of return by industry for the years 1981 through 1985.

TABLE A – NUMBER OF COMPANIES EARNING INDICATED RATES OF RETURN ON UTILITY RATE BASE IN 1985

Rate of Return	Combination Electric	Combination Gas	Straight Gas	Telephone	Water	Total	Percent of Total
Less than 8.00	0	0	1	6	2	9	11.8%
8.00 to 8.99	0	2	0	1	0	3	3.9
9.00 to 9.99	1	0	3	4	1	9	11.8
10.00 to 10.99	1	1	0	6	4	12	15.8
11.00 to 11.99	1	2	1	4	2	10	13.2
12.00 to 12.99	1	1	1	9	3	15	19.7
13.00 to 13.99	0	0	0	4	2	6	7.9
14.00 to 14.99	1	1	0	3	0	5	6.6
15.00 and above	2	0	0	4	1	7	9.3
	7	7	6	41	15	76	100.0
Increase over 1983	4	1	1	33	8	47	61.8
Decrease over 1983	3	6	5	8	7	29	38.2
No change over 1983	0	0	0	0	0	0	–
	7	7	6	41	15	76	100.0

TABLE B – AGGREGATE OF RATE OF RETURN ON UTILITY RATE BASE BY INDUSTRY

	1985	1984	1983	1982	1981
Combination:					
Electric	12.26	12.19	11.82	10.97	10.20
Gas	10.61	11.50	10.56	8.89	9.35
Straight Gas	10.89	11.56	11.34	10.68	9.91
Telephone	11.45	10.54	10.46	10.18	10.26
Water	11.23	11.73	11.67	11.14	8.71

The following method was used in determining the rate base and return for computing the earned rates of return:

Net Plant

(1) Plant in service is an average of beginning and end of year balances of plant accounts.

(2) Accumulated provision for depreciation and amortization is an average of beginning and end of year balances.

(3) Plant held for future use and construction work in progress are not included in net plant.

(4) Accumulated deferred income taxes is an average of beginning and end of year balances.

(5) Common utility plant and accumulated provision for depreciation for common utility plant are averaged (beginning and end of year balances) and a net common plant determined. Common plant is allocated to other utility plant in the ratio of each type utility plant to total utility plant.

(6) Net Plant equals (1) – (2) – (4) + (5).

Working Capital

(7) Materials and supplies and prepayments is an average of beginning and end of year balances. If the company has more than one utility department, materials and supplies are allocated in the ratio of gross plant in service for each department to gross total utility plant in service.

(8) Cash working capital is one-eighth of operation and maintenance expenses (less purchased power, purchased gas, and purchased water for resale, for electric, gas and water companies respectively). For telephone companies, a percentage of operation and maintenance expenses is developed based on the average number of lag days per year.

(9) Working capital equals (7) + (8).

Rate Base

(10) Rate Base equals (6) + (9)

Return

(11) Net operating income as reported in Sections I - IV of this publication is used as "return" in computing the realized rate of return on rate base. Rate of return equals (11) ÷ (10).

RATE OF RETURN ON UTILITY RATE BASE

COMPANY	1985	1984	1983	1982	1981
COMBINATION COMPANIES					
Electric Department					
Central Hudson Gas & Electric Corp.	17.90	15.07	13.66	11.48	11.00
Consolidated Edison Co. of N.Y., Inc.	10.60	11.19	11.01	9.83	9.69
Long Island Lighting Co.	22.60	18.28	15.61	14.61	13.88
New York State Electric & Gas Corp.	9.87	11.38	12.85	13.65	11.55
Niagara Mohawk Power Corp.	11.19	11.11	10.62	10.25	8.78
Orange & Rockland Utilities, Inc.	12.28	12.56	11.66	10.68	9.71
Rochester Gas & Electric Corp.	14.22	12.47	12.42	10.44	9.41
Gas Department					
Central Hudson Gas & Electric Corp.	14.72	15.17	10.46	13.30	9.68
Consolidated Edison Co. of N.Y., Inc.	8.88	10.49	11.56	8.50	8.33
Long Island Lighting Co.	12.71	9.91	9.22	9.22	8.19
New York State Electric & Gas Corp.	11.38	17.38	5.85	8.36	8.66
Niagara Mohawk Power Corp.	11.63	12.24	12.33	7.90	10.72
Orange & Rockland Utilities, Inc.	8.72	10.38	7.77	9.17	9.54
Rochester Gas & Electric Corp.	10.25	12.86	9.85	10.83	12.53
STRAIGHT GAS COMPANIES					
Brooklyn Union Gas Co., The	11.58	11.98	12.07	11.81	10.43
Columbia Gas of New York, Inc.	7.44	8.87	8.81	7.65	5.66
Corning Natural Gas Corp.	9.53	8.40	10.04	13.55	5.22
National Fuel Gas Distribution Corp.	9.90	10.87	10.25	9.00	9.52
St. Lawrence Gas Co., Inc.	12.78	15.07	11.64	8.76	8.93
Syracuse Suburban Gas Co., Inc.	9.65	19.57	6.33	1.94	3.44
TELEPHONE COMPANIES					
Addison Home Telephone Co.	6.95	7.31	8.60	6.26	2.86
ALLTEL New York, Inc.	12.72	9.24	9.28	9.94	10.33
AT&T Communications of New York, Inc.	10.04	8.08	–	–	–
Ausable Valley Telephone Co., Inc.	10.87	10.11	8.92	10.33	8.24
Berkshire Telephone Corp.	9.88	7.13	8.77	8.82	6.49
Cassadaga Telephone Corp.	10.93	12.88	11.51	12.51	7.87
Champlain Telephone Co., The	12.29	13.55	8.26	13.16	19.20
Chatauqua & Erie Telephone Corp.	14.18	11.23	11.55	12.61	12.94
Chazy & Westport Telephone Corp.	10.73	6.66	8.47	8.76	9.79
Citizens Telephone Co. of Hammond, N.Y., Inc.	6.01	4.50	4.70	9.04	5.84
Clymer Telephone Co., Inc.	12.55	10.82	9.18	10.15	6.16
Continental Telephone Co. of N.Y., Inc.	12.28	9.49	8.91	–	–
Crown Point Telephone Corporation	9.53	3.68	2.84	8.57	6.63
Delhi Telephone Co.	10.57	7.63	6.98	9.35	11.22
Deposit Telephone Co., Inc.	13.30	13.23	12.12	12.03	9.78
Dunkirk & Fredonia Telephone Co.	18.90	11.07	7.26	6.82	9.04
Edwards Telephone Co., Inc.	12.17	5.87	8.00	6.83	9.87
Empire Telephone Corp.	7.69	9.65	7.21	6.30	6.40
Fishers Island Telephone Corp., The	35.06	31.00	18.53	14.95	12.05
Germantown Telephone Co., Inc.	13.98	9.01	7.07	6.53	10.04
Hancock Telephone Co., The	11.54	10.49	7.20	10.76	13.48
Highland Telephone Co.	12.02	11.41	11.50	11.55	11.47
Margaretville Telephone Co., Inc.	9.82	8.70	10.48	11.03	8.08
Middleburgh Telephone Co., The	11.50	8.17	9.76	9.36	9.22
Newport Telephone Co., Inc.	8.92	6.65	3.40	4.40	6.00
New York Telephone Co.	11.45	10.39	10.49	10.19	10.23
Nicholville Telephone Co., Inc.	9.97	9.52	6.97	9.32	6.22
Ogden Telephone Co.	10.35	9.81	11.00	10.91	10.13
Oneida County Rural Telephone Co.	6.59	5.96	6.85	2.78	5.76
Ontario Telephone Co., Inc.	14.44	15.46	14.59	14.81	14.01
Pattersonville Telephone Co.	5.67	11.58	7.59	5.32	4.54
Port Byron Telephone Co.	12.77	3.83	3.06	2.33	5.73
Rochester Telephone Corp.	12.07	11.19	10.79	10.77	11.17
Seneca-Gorham Telephone Corp.	11.99	10.99	9.42	11.49	14.90
State Telephone Co.	17.20	15.68	12.91	8.62	7.08
Sylvan Lake Telephone Co., Inc.	13.00	12.05	11.97	12.24	14.55
Taconic Telephone Corp.	12.54	9.60	10.69	11.42	11.75
Township Telephone Company, Inc.	7.43	9.67	7.80	6.44	6.43
Trumansburg Home Telephone Co.	14.76	20.66	15.77	11.38	10.49
Vernon Telephone Co., Inc.	13.28	3.52	8.03	5.95	11.27
Warwick Valley Telephone Co.	17.51	13.67	8.73	9.83	11.38
WATER COMPANIES					
Citizens Water-Supply Co. of Newtown, The	10.51	11.13	15.65	16.28	11.38
Country Knolls Water Works, Inc.	11.05	10.01	9.26	5.39	3.25
Fishers Island Water Works Corp.	10.77	3.01	7.95	1.41	–
Jamaica Water Supply Co.	11.32	11.95	11.95	12.83	11.54
Kiamesha Artesian Spring Water Company, Inc.	–	5.07	–	7.20	13.12
Long Island Water Corp.	12.68	12.50	12.89	12.01	10.07
New Rochelle Water Co., The	10.94	13.37	13.97	11.62	9.20
New York–American Water Co., Inc.	13.56	13.10	16.26	4.59	2.43
New York Water Service Corp.	12.22	13.98	14.24	15.08	12.24
Owego Water Works	13.10	12.47	11.31	4.57	7.30
Sea Cliff Water Co.	15.24	15.62	14.18	10.66	9.62
Shorewood Water Corp.	0.07	1.57	4.78	2.65	1.26
Spring Valley Water Co., Inc.	10.79	10.70	9.61	9.74	6.22
Sterling Forest Water Corp.	9.08	9.03	4.24	5.04	8.76
Wanakah Water Co.	12.26	12.02	10.47	10.10	9.31

SECTION VI.

RATE OF RETURN ON COMMON EQUITY

All Companies

SECTION VI

RATE OF RETURN ON COMMON EQUITY

This section presents the computed rates of return on common equity for all companies included in this report.

The computed rate of return is the percentage relationship of earnings available for common equity before extraordinary items to the average of the beginning and year-ending balances in proprietary capital less preferred stock.

It should be noted that these calculations by the Commission's staff on rates of return are not intended as an evaluation of the reasonableness of the earnings of any utility under the jurisdiction of the Public Service Commission. Also, the earned rates of return, as computed herein are not necessarily the same rates of return that would be computed by the staff in a formal proceeding, because the data are analyzed in detail in formal proceedings and some adjustments are usually made to booked amounts. The rates of return on common equity for forty of the sixty-nine companies increased in 1985 compared to 1984. Table A distributes the companies according to 1985 computed rates of return. Table B presents the aggregate average rate of return by industry for the years 1981 through 1985.

TABLE A – NUMBER OF COMPANIES EARNING INDICATED RATES OF RETURN ON COMMON EQUITY IN 1984

Rate of Return	Combination Companies	Straight Gas	Telephone	Water	Total	Percent of Total
Less than 12.00	0	2	2	9	13	18.9%
12.00 to 12.99	0	2	4	0	6	8.7
13.00 to 13.99	2	1	3	1	7	10.1
14.00 to 14.99	2	1	4	3	10	14.5
15.00 to 15.99	1	0	2	0	3	4.3
16.00 to 16.99	2	0	3	1	6	8.7
17.00 up	0	0	23	1	24	34.8
	7	6	41	15	69	100.0
Increase over 1983	3	0	33	4	40	58.0
Decrease over 1983	4	6	7	11	28	40.6
No change over 198	0	0	1	0	1	1.4
	7	6	41	15	69	100.0

TABLE B – AGGREGATE RATE OF RETURN ON COMMON EQUITY BY INDUSTRY

	1985	1984	1983	1982	1981
Combination Companies	14.6	15.1	14.7	14.3	13.6
Straight Gas Companies	13.3	14.6	14.0	13.2	13.0
Telephone Companies	14.2	13.0	12.1	11.9	12.4
Water Companies	10.7	12.2	11.6	9.8	6.5

RATES OF RETURN ON COMMON EQUITY BEFORE EXTRAORDINARY ITEMS AND EQUITY RATIOS

	1985		1984		1983		1982		1981	
	Return on Common Equity Percent	Common Equity Percent of Total Capitalization	Return on Common Equity Percent	Common Equity Percent of Total Capitalization	Return on Common Equity Percent	Common Equity Percent of Total Capitalization	Return on Common Equity Percent	Common Equity Percent of Total Capitalization	Return on Common Equity Percent	Common Equity Percent of Total Capitalization
COMBINATION COMPANIES[1]										
Central Hudson Gas & Electric Corp.	16.1	40.4	15.6	41.3	14.0	41.8	14.8	38.6	13.7	39.1
Consolidated Edison Co., of N.Y., Inc.	13.1	54.2	15.0	56.0	15.1	53.6	13.9	50.9	13.5	47.9
Long Island Lighting Co.	16.2	41.5	15.4	38.7	14.7	34.1	14.6	38.7	13.0	36.9
New York State Electric & Gas Corp.	14.2	38.8	15.7	38.0	13.3	41.3	15.2	40.0	13.2	39.3
Niagara Mohawk Power Corp.	14.9	42.4	14.8	40.3	14.9	41.9	14.7	39.3	13.5	41.0
Orange and Rockland Utilities, Inc.	13.5	40.8	13.7	50.9	13.6	50.3	13.9	47.5	13.1	44.9
Rochester Gas & Electric Corp.	15.6	43.3	16.2	41.1	15.1	41.5	13.6	40.2	14.0	39.7
STRAIGHT GAS COMPANIES										
Brooklyn Union Gas Co., The	14.3	47.7	14.7	50.0	15.1	48.9	16.0	44.3	15.0	41.3
Columbia Gas of New York, Inc.	8.4	46.8	12.1	50.3	13.3	51.2	5.8	49.8	6.3	49.6
Corning Natural Gas Corp.	12.3	85.5	13.6	82.3	15.2	74.5	21.2	70.4	13.9	65.0
National Fuel Gas Distribution Corp.	13.4	56.5	14.3	53.7	12.0	48.2	9.4	52.1	10.7	50.5
St. Lawrence Gas Co., Inc.	12.8	88.9	19.2	68.2	15.7	84.9	11.0	92.1	10.1	60.5
Syracuse Suburban Gas Co., Inc.	11.5	67.2	30.5	64.2	6.1	56.6	–	55.0	7.4	56.3
TELEPHONE COMPANIES										
Addison Home Telephone Co.	12.2	38.2	11.8	36.4	11.8	34.1	11.8	33.6	7.1	30.3
ALLTEL New York, Inc.	15.3	51.1	8.8	48.4	8.4	46.4	11.3	45.8	12.5	47.7
AT&T Communications of New York, Inc.	15.7	61.3	13.7	65.1						
Ausable Valley Telephone Co., Inc.	33.6	18.2	26.3	15.8	17.1	15.1	27.8	13.2	12.0	10.7
Berkshire Telephone Corp.	19.3	30.2	8.1	26.1	12.4	24.6	14.6	22.4	4.8	20.2
Cassadaga Telephone Corp.	14.7	54.1	18.6	50.5	18.0	46.1	23.3	41.7	13.1	38.1
Champlain Telephone Co., The	26.7	41.8	28.3	40.5	12.9	37.6	24.6	35.3	32.7	34.3
Chautauqua and Erie Telephone Corp.	22.3	57.1	14.4	52.9	16.5	50.5	18.7	44.1	18.0	41.2
Chazy and Westport Telephone Corp.	19.8	27.5	13.6	27.9	17.4	25.0	19.0	21.7	26.6	18.8
Citizens Telephone Co. of Hammond, N.Y., Inc.	56.1	9.1	49.4	5.3	66.9	1.7	53.2	5.6	–	–
Clymer Telephone Co., Inc.	26.1	30.6	23.3	29.9	18.0	27.3	21.8	29.5	10.4	24.4
Continental Telephone Co. of N.Y., Inc.	16.4	46.8	12.5	48.6	11.4	52.5				
Crown Point Telephone Corporation	12.4	15.7	–	20.3	–	22.4	20.4	20.9	14.5	17.0
Delhi Telephone Co.	11.9	39.3	8.5	36.4	5.9	36.1	13.0	34.5	18.6	32.4
Deposit Telephone Co., Inc.	17.6	61.6	16.9	56.7	16.1	52.0	13.2	67.2	8.0	64.0
Dunkirk & Fredonia Telephone Co.	28.0	43.9	14.4	38.3	6.4	35.7	12.6	35.6	11.8	49.8
Edwards Telephone Co., Inc.	25.6	35.4	11.3	29.3	19.3	26.6	18.4	22.8	34.6	19.5
Empire Telephone Corp.	11.9	42.6	16.8	38.9	9.3	34.3	8.6	31.7	9.4	29.9
Fishers Island Telephone Corp., The	21.7	100.0	19.5	100.0	15.1	100.0	13.9	100.0	13.8	100.0
Germantown Telephone Co., Inc.	30.4	32.5	16.5	25.4	14.6	22.1	10.8	19.4	35.6	18.0
Hancock Telephone Co., Inc. The	17.8	36.5	16.4	32.6	7.4	29.8	17.4	30.1	27.6	26.9
Highland Telephone Co.	16.8	57.4	13.9	55.4	14.2	47.9	15.5	46.9	15.6	49.3
Margaretville Telephone Co., Inc.	13.1	37.6	10.1	34.8	15.6	33.7	17.4	46.1	11.3	41.7
Middleburgh Telephone Co., The	21.8	35.7	14.7	30.5	21.5	27.3	26.1	23.0	29.7	18.9
Newport Telephone Co., Inc.	14.8	25.7	9.3	22.6	–	21.3	1.9	22.8	14.6	22.4
New York Telephone Co.	13.8	57.5	12.5	56.3	12.1	56.7	11.8	59.0	12.3	57.4
Nicholville Telephone Co., Inc.	26.4	25.6	28.7	20.6	16.6	16.1	44.3	13.9	16.0	9.3
Ogden Telephone Co.	14.8	22.2	14.8	20.3	15.2	18.8	6.6	17.3	7.2	17.1
Oneida County Rural Telephone Co.	18.9	24.3	17.4	21.4	23.0	17.0	–	13.8	17.0	14.0
Ontario Telephone Co., Inc.	12.5	88.2	15.8	86.7	15.8	84.7	14.6	82.6	14.5	79.2
Pattersonville Telephone Co.	18.8	55.2	13.9	49.5	16.1	43.8	12.4	39.0	11.8	35.8
Port Byron Telephone Co.	54.5	19.2	–	9.4	–	9.9	–	12.3	–	13.2
Rochester Telephone Corp.	16.4	63.5	14.7	61.9	13.8	60.6	14.1	59.4	15.4	57.9
Seneca-Gorham Telephone Corp.	14.3	56.5	13.2	53.2	5.0	49.0	14.3	47.9	20.6	43.3
State Telephone Co.	19.4	94.0	17.8	92.9	15.8	91.7	10.5	70.3	8.4	67.7
Sylvan Lake Telephone Co., Inc.	18.1	53.7	12.9	51.6	14.3	49.2	14.3	49.7	18.2	46.4
Taconic Telephone Corp.	12.9	42.9	5.8	40.2	11.4	39.0	14.3	37.1	16.7	42.1
Township Telephone Co., Inc.	16.7	23.7	35.7	20.3	32.0	14.7	38.5	10.6	19.9	8.5
Trumansburg Home Telephone Co.	13.5	76.4	23.2	74.1	18.8	69.7	14.0	65.4	14.4	62.5
Vernon Telephone Co., Inc.	20.2	23.8	–	26.4	7.0	28.2	6.3	28.9	24.1	26.0
Warwick Valley Telephone Co.	22.9	57.1	18.2	51.6	7.5	48.3	10.6	59.5	14.9	54.9
WATER COMPANIES										
Citizens Water-Supply Co. of Newtown, The	5.2	100.0	5.7	100.0	8.1	100.0	7.9	100.0	4.4	100.0
Country Knolls Water Works, Inc.	10.0	20.8	11.4	19.3	26.5	17.2	–	15.8	76.4	–
Fishers Island Water Works Corp.	8.9	80.7	0.3	78.5	5.0	77.9	–	76.4	–	76.0
Jamaica Water Supply Co.	14.1	44.0	14.2	41.0	14.1	38.6	14.6	38.1	10.7	33.0
Kiamesha Artesian Spring Water Company, Inc.	–	29.1	56.1	33.7	–	81.6	7.3	73.0	25.4	63.3
Long Island Water Corp.	13.8	45.7	15.1	52.3	15.6	49.6	14.7	48.7	11.6	52.4
New Rochelle Water Co., The	6.1	99.9	6.2	99.8	9.1	99.7	6.5	94.7	4.5	94.3
New York-American Water Co., Inc.	14.5	34.1	16.7	51.0	25.7	50.9	–	58.9	–	45.2
New York Water Service Corp.	5.9	86.3	9.8	85.6	6.6	84.3	6.2	82.6	10.9	81.0
Owego Water Works	6.9	100.0	7.7	100.0	6.0	100.0	.1	76.3	6.4	67.1
Sea Cliff Water Co.	14.4	57.9	14.0	54.4	14.6	100.0	10.7	100.0	8.5	76.5
Shorewood Water Corp.	26.8	36.0	21.5	30.4	29.2	22.8	59.9	6.3	96.6	–
Spring Valley Water Co., Inc.	16.1	40.1	16.2	39.5	12.2	40.4	12.2	39.9	2.3	38.9
Sterling Forest Water Corp.	8.9	93.5	9.6	90.6	3.5	87.5	4.4	85.0	–	82.3
Wanakah Water Co.	11.7	40.8	10.5	40.6	9.6	41.3	8.0	46.6	6.6	45.7

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[1] Companies providing electric, gas and other utility services.

SECTION VII.

TOTAL INTEREST – TIMES EARNED

(INTEREST COVERAGE)

All Companies

SECTION VII

TOTAL INTEREST – TIMES EARNED
(Interest Coverage)

Total Interest – Times Earned shows the number of times a company earns the interest charges on its debt. The interest charges used in this calculation include interest on long-term debt, amortization of discount, expense and/or premium on debt, interest on notes payable and all other interest deductions.

Income before taxes is considered as being available for the payment of interest because interest is a deduction for tax purposes and unless a company has enough income to pay its interest, there would be no income taxes to be paid.

The number of times that interest is earned is an important and significant element in determining a company's bond rating and its cost of capital. Bond indentures specify a required coverage and the most generally used requirement is two times the interest to be covered. It is customary that there be a margin of safety above the indenture requirement for assurance and for flexibility to issue new debt, so the coverages of most companies are normally higher than two times the debt cost. As a general rule, the higher the interest coverage the better the company's bond rating and the lower the interest cost.

The number of times interest is earned is shown for each company for the years 1981 through 1985. These figures were computed on a consistent basis for all of the companies shown. Debt indentures usually specify how this figure is to be computed, and there are significant variations in the required computation. The figure shown should, therefore, not be regarded as being equivalent to indenture coverage.

TOTAL INTEREST – TIMES EARNED (INTEREST COVERAGE)

COMPANY	1985	1984	1983	1982	1981
COMBINATION COMPANIES[1]					
Central Hudson Gas & Electric Corp.	3.2	3.2	2.8	2.6	2.4
Consolidated Edison Co. of N.Y., Inc.	6.2	6.7	6.4	5.2	4.6
Long Island Lighting Co.[2]	2.8	2.4	2.5	2.4	2.3
New York State Electric & Gas Corp.	2.4	2.5	2.4	2.7	2.8
Niagara Mohawk Power Corp.	3.1	3.1	2.9	2.9	2.6
Orange & Rockland Utilities, Inc.	5.3	4.5	4.2	4.0	3.4
Rochester Gas & Electric Corp.	3.1	3.3	2.9	2.6	2.8
STRAIGHT GAS COMPANIES					
Brooklyn Union Gas Co., The	4.2	3.8	3.6	3.5	3.2
Columbia Gas of New York, Inc.	2.5	3.1	3.2	1.6	1.8
Corning Natural Gas Corp.	4.7	6.8	6.6	5.4	4.0
National Fuel Gas Distribution Corp.	2.4	2.8	2.2	1.9	1.9
St. Lawrence Gas Co., Inc.	7.7	9.3	8.1	4.6	5.2
Syracuse Suburban Gas Co., Inc.	3.3	6.0	1.4	0.9	3.0
TELEPHONE COMPANIES					
Addison Home Telephone Co	3.9	4.1	3.8	3.8	2.4
ALLTEL New York, Inc.	4.3	2.9	2.5	3.0	3.1
AT&T Communications of New York, Inc.	7.1	5.9			
Ausable Valley Telephone Co., Inc.	2.7	2.0	1.6	1.7	1.2
Berkshire Telephone Corp.	2.5	1.5	1.8	1.8	1.3
Cassadaga Telephone Corp.	6.5	6.8	4.8	5.4	2.9
Champlain Telephone Co., The	7.7	7.1	3.3	3.9	5.9
Chautauqua & Erie Telephone Corp.	5.4	3.3	3.0	2.4	2.0
Chazy & Westport Telephone Corp.	3.0	2.1	2.5	2.3	2.4
Citizens Telephone Co. of Hammond, N.Y., Inc.	4.7	1.9	2.5	4.3	1.8
Clymer Telephone Co., Inc.	4.0	3.9	3.5	4.1	2.1
Continental Telephone Co. of N.Y., Inc.	4.2	3.5	3.3		
Crown Point Telephone Corporation	1.7	0.8	0.7	1.8	1.6
Delhi Telephone Co.	2.2	2.0	1.7	2.3	2.5
Deposit Telephone Co., Inc.	4.6	3.8	3.7	2.9	1.9
Dunkirk & Fredonia Telephone Co.	5.8	3.7	2.7	2.8	4.2
Edwards Telephone Co., Inc.	5.2	2.3	3.0	2.4	3.7
Empire Telephone Corp.	3.1	3.5	2.9	2.2	3.2
Fishers Island Telephone Corp., The	81.1	–	–	–	–
Germantown Telephone Co., Inc.	4.2	2.2	1.7	1.6	2.7
Hancock Telephone Co., The	3.2	2.4	1.5	2.2	2.8
Highland Telephone Co.	5.7	4.4	4.1	3.9	4.3
Margaretville Telephone Co., Inc.	2.8	2.6	4.0	3.9	2.9
Middleburgh Telephone Co., The	4.7	3.0	3.2	2.7	2.6
Newport Telephone Co., Inc.	2.3	1.7	0.5	1.1	2.4
New York Telephone Co.	4.5	4.0	3.7	3.7	3.8
Nicholville Telephone Co., Inc.	3.3	2.7	1.7	2.5	1.4
Ogden Telephone Co.	1.8	1.7	1.7	1.3	1.3
Oneida County Rural Telephone Co.	3.7	2.4	2.5	0.9	2.1
Ontario Telephone Co., Inc.	16.0	16.5	15.4	10.0	7.9
Pattersonville Telephone Co.	11.1	6.5	5.9	3.9	4.1
Port Byron Telephone Co.	2.5	0.9	0.7	0.6	0.8
Rochester Telephone Corp.	9.8	8.5	7.5	6.0	6.4
Seneca-Gorham Telephone Corp.	5.6	4.4	2.2	3.7	3.9
State Telephone Co.	48.1	42.5	9.6	4.6	3.1
Sylvan Lake Telephone Co., Inc.	3.8	2.9	3.1	3.0	3.1
Taconic Telephone Corp.	2.4	2.0	2.2	2.3	2.7
Township Telephone Company, Inc.	2.4	4.2	3.0	2.4	1.8
Trumansburg Home Telephone Co.	7.4	10.2	7.2	4.4	5.4
Vernon Telephone Co., Inc.	1.8	0.5	1.4	1.4	2.8
Warwick Valley Telephone Co.	6.5	4.8	2.6	2.3	3.4
WATER COMPANIES					
Citizens Water-Supply Co. of Newtown, The	2.7	3.2	3.7	3.3	2.2
Country Knolls Water Works, Inc.	1.2	1.9	1.9	2.9	0.2
Fishers Island Water Works Corp.	4.0	1.1	2.3	0.9	1.7
Jamaica Water Supply Co.	2.9	2.6	2.3	2.3	1.6
Kiamesha Artesian Spring Water Company, Inc.	–	4.4	–	1.8	3.4
Long Island Water Corp.	3.1	3.6	3.6	3.7	3.2
New Rochelle Water Co., The	3.4	3.8	3.8	2.7	2.2
New York-American Water Co., Inc.	2.6	3.3	2.4	1.0	–
New York Water Service Corp.	3.6	4.8	4.0	2.9	4.0
Owego Water Works	4.5	5.2	2.7	1.0	2.6
Sea Cliff Water Co.	3.5	2.6	2.7	3.0	3.3
Shorewood Water Corp.	2.7	2.0	4.0	1.9	0.8
Spring Valley Water Co., Inc.	3.7	3.6	3.0	3.0	1.1
Sterling Forest Water Corp.	7.7	6.3	2.6	2.6	4.0
Wanakah Water Co.	1.9	1.8	2.0	1.7	1.6

[1] Companies providing electric, gas and other utility services.

[2] Includes effect of trust obligations.

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INDEX TO COMPANIES

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Ausable Valley Telephone Company, Inc.	204A	204B	204C	204D	204E
Berkshire Telephone Corp.	205A	205B	205C	205D	205E
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Champlain Telephone Company, The	207A	207B	207C	207D	207E
Chautauqua & Erie Telephone Corp.	208A	208B	208C	208D	208E
Chazy & Westport Telephone Corp.	209A	209B	209C	209D	209E
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Clymer Telephone Co., Inc.	211A	211B	211C	211D	211E
Columbia Gas of New York, Inc.	103A	103B	103C	103D	103E
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Continental Telephone Company of New York, Inc.	212A	212B	212C	212D	212E
Corning Natural Gas Corp.	105A	105B	105C	105D	105E
Country Knolls Water Works, Inc.	302A	302B	302C	302D	302E
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Delhi Telephone Company	214A	214B	214C	214D	214E
Deposit Telephone Company, Inc.	215A	215B	215C	215D	215E
Dunkirk & Fredonia Telephone Company	216A	216B	216C	216D	216E
Edwards Telephone Company, Inc.	217A	217B	217C	217D	217E
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Fishers Island Water Works Corporation, The	303A	303B	303C	303D	303E
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Hancock Telephone Company, The	221A	221B	221C	221D	221E
Highland Telephone Company	222A	222B	222C	222D	222E
Jamaica Water Supply Company	304A	304B	304C	304D	304E
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New York-American Water Company, Inc.	308A	308B	308C	308D	308E
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Niagara Mohawk Power Corp. Gas Service	109A	109B	109C	109D	109E
Nicholville Telephone Company, Inc.	227A	227B	227C	227D	227E
Ogden Telephone Company	228A	228B	228C	228D	228E
Oneida County Rural Telephone Company	229A	229B	229C	229D	229E
Ontario Telephone Company, Inc.	230A	230B	230C	230D	230E
Orange and Rockland Utilities, Inc. Electric Service	6A	6B	6C	6D	6E
Orange and Rockland Utilities, Inc. Gas Service	110A	110B	110C	110D	110E
Owego Water Works	310A	310B	310C	310D	310E
Pattersonville Telephone Company	231A	231B	231C	231D	231E
Port Byron Telephone Company	232A	232B	232C	232D	232E
Rochester Gas & Electric Corp. Electric Service	7A	7B	7C	7D	7E
Rochester Gas & Electric Corp. Gas Service	111A	111B	111C	111D	111E
Rochester Telephone Corp.	233A	233B	233C	233D	233E
St. Lawrence Gas Company, Inc.	112A	112B	112C	112D	112E
Sea Cliff Water Company	311A	311B	311C	311D	311E
Seneca-Gorham Telephone Corp.	234A	234B	234C	234D	234E
Shorewood Water Corp.	312A	312B	312C	312D	312E
Spring Valley Water Company, Inc.	313A	313B	313C	313D	313E
State Telephone Company	235A	235B	235C	235D	235E
Sterling Forest Water Corp.	314A	314B	314C	314D	314E
Sylvan Lake Telephone Company, Inc.	236A	236B	236C	236D	236E
Syracuse Suburban Gas Company, Inc.	113A	113B	113C	113D	113E
Taconic Telephone Corp.	237A	237B	237C	237D	237E
Township Telephone Company, Inc.	238A	238B	238C	238D	238E
Trumansburg Home Telephone Company	239A	239B	239C	239D	239E
Vernon Telephone Company, Inc.	240A	240B	240C	240D	240E
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Financial Statistics of the Major Privately Owned Utilities Within New York State - 1985

Errata Sheet

Company and/or Description

Page 28: Source and Disposition of Revenues:

There were no Access Revenue Accounting Provisions in the 1984 PSC Annual Report. Reclassification of the Reported 1984 Revenues was made for the narrative section so that revenues would be comparable based upon the 1985 reporting change.

	1984 Revised		1984 Reported	
	$ Millions	% of Total	$ Millions	% of Total
Local Service	$ 4,032	46.6%	$ 4,000	46.2%
Access	1,868	21.6	-	-
Toll	2,397	27.7	2,556	29.6
Miscellaneous	355	4.1	2,096	24.2
	$ 8,652	100.0	$ 8,652	100.0

Page 502: "Table A"

Heading: Year should read 1985 not 1984

Increase - Decrease - No change (3 lines). The year should appear as 1984 - not 1983 or 1985.

S5995-1-U

Financial Statistics of the Major Privately Owned Utilities Within New York State

ELECTRIC • GAS • TELEPHONE • WATER

1986

NEW YORK STATE DEPARTMENT OF PUBLIC SERVICE

THE UTILITY INDUSTRY IN THE STATE OF NEW YORK
STATEMENT OF CHANGES IN FINANCIAL POSITION

(DOLLARS IN THOUSANDS)

		1986 AMOUNT	%		1985 AMOUNT	%
FUNDS PROVIDED						
INTERNAL SOURCES:						
INCOME BEFORE EXTRAORDINARY ITEMS	$	2,865,984	38.1	$	2,842,447	47.1
NON-CASH CHARGES (CREDIT) TO INCOME						
DEPRECIATION, DEPLETION, AND AMORTIZATION		1,969,296	26.2		1,831,912	30.3
DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		715,595	9.5		821,425	13.6
INTEREST CAPITALIZED		666,871-	8.8-		793,317-	13.1-
OTHER (NET)		65,305	0.8		58,644	0.9
TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS		4,949,310	65.9		4,761,111	78.9
EXTRAORDINARY ITEMS - NET OF INCOME TAXES		929	-		2,968	-
TOTAL FUNDS FROM INTERNAL SOURCES		4,950,239	65.9		4,764,079	78.9
LESS DIVIDENDS - PREFERRED		139,678	1.8		153,975	2.5
- COMMON		1,673,460	22.3		1,531,035	25.3
NET FUNDS FROM INTERNAL SOURCES	$	3,137,101	41.8	$	3,079,069	51.0
EXTERNAL SOURCES:						
LONG-TERM DEBT	$	2,761,716	36.8	$	1,933,888	32.0
PREFERRED STOCK		75,000	0.9		75,000	1.2
COMMON STOCK		108,400	1.4		360,884	5.9
NET INCREASE IN SHORT-TERM DEBT		494,933	6.5		133,082	2.2
OTHER (NET)		221,133	2.9		58,848-	0.8-
TOTAL FUNDS FROM EXTERNAL SOURCES	$	3,661,182	48.7	$	2,444,005	40.5
OTHER		705,581	9.4		508,815	8.4
TOTAL FUNDS PROVIDED	$	7,503,864	100.0	$	6,031,889	100.0
FUNDS APPLIED						
CONSTRUCTION EXPENDITURES:						
GROSS ADDITIONS:						
TELEPHONE PLANT	$	1,573,651	20.9	$	1,503,932	24.9
ELECTRIC PLANT (EXCLUDING NUCLEAR)		1,272,317	16.9		1,020,061	16.9
NUCLEAR PLANT		1,552,946	20.6		1,601,989	26.5
NUCLEAR FUEL		427,173-	5.5-		156,873	2.6
GAS PLANT		272,182	3.6		241,625	4.0
LIQUEFIED NATURAL GAS PLANT		6,447	-		8,738	0.1
STEAM PLANT		9,848	0.1		8,033	0.1
WATER PLANT		21,695	0.2		18,302	0.3
NON-UTILITY PLANT		899	-		257	-
OTHER		74,400	0.9		38,499	0.6
TOTAL GROSS ADDITIONS	$	4,357,211	58.0	$	4,598,310	76.2
LESS INTEREST CAPITALIZED		666,871	8.8		793,317	13.1
TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	$	3,690,340	49.1	$	3,804,993	63.0
RETIREMENT OF DEBT AND SECURITIES						
LONG-TERM DEBT	$	1,483,715	19.7	$	919,884	15.2
PREFERRED STOCK		142,025	1.8		52,241	0.8
REDEMPTION OF CAPITAL STOCK		109,099	1.4		288,769	4.7
NET DECREASE IN SHORT-TERM DEBT		11,488	0.1		83,964	1.3
OTHER (NET):		634,198	8.4		30,928	0.5
TOTAL RETIREMENT OF DEBT SECURITIES	$	2,380,525	31.7	$	1,375,777	22.8
OTHER		1,432,999	19.0		851,119	14.1
TOTAL FUNDS APPLIED	$	7,503,864	100.0	$	6,031,889	100.0

THE UTILITY INDUSTRY IN THE STATE OF NEW YORK*
(BILLIONS OF DOLLARS)

BALANCE SHEET

	1986	1985	1984	1983	1982
ASSETS					
ELECTRIC PLANT	$ 32.24	$ 30.01	$ 27.57	$ 25.02	$ 22.52
GAS PLANT	4.08	3.84	3.61	3.42	3.24
TELEPHONE PLANT	18.41	17.52	16.51	16.39	15.69
WATER PLANT	0.32	0.31	0.29	0.27	0.26
STEAM PLANT	0.26	0.25	0.26	0.25	0.25
COMMON PLANT	1.02	0.93	0.88	0.77	0.70
TOTAL UTILITY PLANT	56.33	52.85	49.11	46.12	42.66
ACCUMULATED DEPRECIATION	12.94	11.95	10.93	10.03	9.25
NET UTILITY PLANT INVESTMENT	43.37	40.90	38.18	36.06	33.40
CASH	0.21	0.14	0.14	0.11	0.10
OTHER ASSETS	8.71	8.21	7.43	6.46	5.74
TOTAL ASSETS	$ 52.30	$ 49.25	$ 45.75	$ 42.62	$ 39.25
OWNER'S EQUITIES AND LIABILITIES					
BONDS	$ 14.11	$ 13.56	$ 13.21	$ 12.54	$ 12.16
OTHER LONG-TERM DEBT	3.72	3.29	2.59	2.44	1.33
PREFERRED STOCK	2.67	2.72	2.73	2.75	2.43
COMMON EQUITY	19.86	18.68	17.46	16.32	15.16
TOTAL CAPITALIZATION	40.37	38.26	35.98	34.06	31.08
CURRENT AND OTHER LIABILITIES	11.93	10.99	9.77	8.57	8.17
TOTAL OWNER'S EQUITIES AND LIABILITIES	$ 52.30	$ 49.25	$ 45.75	$ 42.62	$ 39.25

INCOME STATEMENT

	1986	1985	1984	1983	1982
UTILITY REVENUES					
ELECTRIC REVENUES	$ 10.22	$ 10.48	$ 10.56	$ 9.85	$ 9.05
GAS REVENUES	4.13	4.54	4.76	4.65	4.22
TELEPHONE REVENUES	9.43	9.05	8.65	7.51	7.13
WATER REVENUES	0.14	0.13	0.12	0.11	0.10
STEAM REVENUES	0.28	0.33	0.37	0.36	0.39
TOTAL REVENUES	24.19	24.52	24.48	22.49	20.89
OPERATING EXPENSES					
OPERATION AND MAINTENANCE EXPENSES	13.76	14.69	15.12	13.82	13.14
DEPRECIATION	1.83	1.74	1.57	1.53	1.43
INCOME TAXES	1.86	1.74	1.53	1.28	1.06
OTHER TAXES	3.16	3.03	3.10	2.90	2.54
TOTAL OPERATING EXPENSES	20.61	21.21	21.32	19.52	18.17
UTILITY OPERATING INCOME	3.58	3.31	3.16	2.97	2.73
NONUTILITY INCOME	0.95	1.10	0.99	0.77	0.63
TOTAL INCOME BEFORE INTEREST CHARGES	4.52	4.41	4.15	3.74	3.36
INTEREST CHARGES	1.67	1.56	1.47	1.36	1.24
NET EARNINGS BEFORE EXTRAORDINARY ITEMS	2.85	2.84	2.67	2.38	2.12
EXTRAORDINARY ITEMS	-	-	0.01	0.02-	-
NET EARNINGS	$ 2.85	$ 2.85	$ 2.68	$ 2.35	$ 2.12
DIVIDENDS PAID TO STOCKHOLDERS	1.89	1.77	1.63	1.75	1.56
EARNINGS REINVESTED IN THE BUSINESS	$ 0.96	$ 1.08	$ 1.05	$ 0.61	$ 0.56

Financial Statistics of the Major Privately Owned Utilities Within New York State

ELECTRIC • GAS • TELEPHONE • WATER

1986

New York State Public Service Commission

Peter A. Bradford, Chairman

Harold A. Jerry, Jr.	James T. McFarland
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Compiled by the
New York State Department of Public Service

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PREFACE

For the 17th consecutive year the Department of Public Service has published the "Financial Statistics of the Major Privately Owned Utilities Within New York State".

This publication contains many key financial and operating statistics for the 66 largest, privately owned electric, gas, telephone and water companies doing business at December 31, 1986. The data is accumulated by type of utility service; therefore, companies which provide more than one type of utility service will appear more than once in the report. The seven companies which provide gas and electric service (referred to as combination companies) are listed in the electric section and again in the gas section. The gas section also contains statistics for six companies which only distribute and transport gas. These companies are referred to as straight gas companies.

Consolidated Edison is the only remaining company which provides steam service in addition to electric and gas service. Statistical data for steam operations are not treated separately in this report, except on selected schedules.

The companies included in this publication are Class A and Class B utilities. For electric or gas utilities, companies with annual operating revenues of $2,500,000 or more for each type of service are designated Class A, and those with revenues between $1,000,000 and $2,500,000 are Class B. Class A telephone companies have annual operating revenues of over $250,000 and Class B telephone companies are between $100,000 and $250,000. The classification guidelines for water companies are the same as for telephone companies.

The initial pages of this publication show operating data on an industry basis for the last five years, accompanied by a brief narrative summarizing significant changes occurring in the last two years. This industry overview is followed by composite balance sheets, income statements, cash flow statements, plant, revenue and bill data and tables showing the disposition of a company's revenues. Individual company operations are also shown in the same manner and by type of service. Information in this book is based on data filed by the companies in their annual reports to the Public Service Commission.

It should be noted that calculations measuring rates of return on investment, returns on equity, etc., that are contained in this book may not correspond precisely to those derived by the Public Service Commission in formal cases. Differences may occur because this publication relies exclusively on data as reported by the companies while the Commission may use forecasted figures or make adjustments to historic book amounts. Also, some figures may not add to the totals shown due to rounding.

THE PRIVATELY OWNED UTILITIES IN NEW YORK STATE
CLASS A AND CLASS B
HIGHLIGHTS

Revenues

The 1986 composite revenues of $24.2 billion increased by $3.3 billion (15.8%) over the 1982 levels of $20.9 billion.

Telephone

The regulated telephone sector of the utility industry led in revenue growth during this five year period, with a substantial $2.3 billion (32.3%) increase over the 1982 level of $7.1 billion. However, comparison of telephone industry revenue changes from 1982 to 1986 can be misleading because of the AT&T divestiture effective January 1, 1984, and the resultant structural changes. For example, after divestiture, AT&T Communications of New York, Inc. (ATTCOM) was organized to provide, among other functions, services that previously were the responsibility of New York Telephone Company. Therefore, revenues that were once part of New York Telephone's operations are now included under ATTCOM's. Further, part of ATTCOM's revenues are paid to local telephone companies to "access" or connect with local exchange lines. These access charges are in turn classified as revenues by the local telephone companies. This accounting for access charges causes some duplication of revenues that inflates industry composite figures and distorts revenue comparisons. More accurate measurements can be found in the statements for the individual telephone companies and in the summary of individual utility industry operations.

Electric

The regulated electric industry followed with revenue growth of $1.2 billion (12.9%), increasing composite revenues in 1986 to $10.2 billion. Some minor duplication of revenue also occurs in the electric industry. A sale of electricity by one utility to another who in turn resells the power to its own customers, shows up as revenues to both companies and also an expense to the latter.

Water

The regulated water industry followed with a $32 million increase (31.1%) in revenues. Net water plant increased 5.9%, from $223,010,443 in 1985 to $236,191,234 in 1986.

Steam

Steam as an industry lost ground, with a decline in revenues from $400 million in 1982 to $300 million in 1986. This reflects the abandonment of steam operations by Rochester Gas and Electric Corporation in December of 1985.

Gas

Gas revenues decreased from $4.2 billion in 1982 to $4.1 billion in 1986, a decline of 2.1%. The increase in residential consumption was more than offset by declines in sales to commercial and industrial customers.

Plant Investment

Plant investment continued to grow over the five-year period -- from $42.7 billion in 1982 to $56.3 billion in 1986 (31.9%). Investments in Shoreham ($4.8 billion) and Nine Mile Point 2 ($5.9 billion), two nuclear stations, dominated new electric plant investment.

Growth in telephone plant investment reflects the AT&T divestiture as well as The Federal Communications Commission (FCC) decisions promoting deregulation of the industry. As mentioned earlier, some plant investment (*e.g.*, Customer Premises Equipment) that was included in 1982 balances was later transferred to unregulated subsidiaries of AT&T. Also, FCC accounting and regulatory reforms seeking to deregulate the industry have slowed growth in plant investment. Costs once capitalized are now expensed, *e.g.* station connections, and services once offered under regulation are now detariffed and subject to competition, *e.g.* enhanced services.

A comparison of each industry's composite total of revenue and plant for 1986 and 1982 follows:

REVENUE AND PLANT INVESTMENT

	1986	1982	1986	1982
SERVICE	AVERAGE GROSS PLANT	AVERAGE GROSS PLANT	REVENUES	REVENUES
	($BILLIONS)		($BILLIONS)	
ELECTRIC	$33.18	$23.16	$10.22	$9.05
GAS	4.15	3.30	4.13	4.22
TELEPHONE	18.41	15.69	9.43	7.13
WATER	0.32	0.26	0.14	0.10
STEAM	0.27	0.25	0.28	0.39
TOTAL	$56.33	$42.66	$24.20	$20.89

Source and Use of Funds

New York State utility companies raised $7.5 billion of new capital in 1986 compared to $5.1 billion in 1982. In 1986, almost 42% of the funds needed were obtained from internal sources such as deferred taxes, depreciation and income. The remaining funds were obtained from external sources. Long term debt was the largest single source of external funding.

Although construction expenditures declined in 1986 compared to 1982, utilities retired over $2.3 billion of high coupon debt, an unprecedented level.

The following table compares the sources and uses of funds for the two years 1982 and 1986:

SOURCE AND USE OF FUNDS

	1986		1982	
	$ MILLIONS	PERCENT	$ MILLIONS	PERCENT
FUNDS AVAILABLE				
INTERNALLY GENERATED-NET OF DIVIDENDS	$3,137	41.8%	$2,250	44.4%
LONG TERM DEBT	2,762	36.8%	1,084	21.4%
PREFERRED AND COMMON STOCK	183	2.4%	948	18.7%
SHORT TERM DEBT AND OTHER	1,422	18.9%	785	15.5%
TOTAL	$7,504	100.0%	$5,067	100.0%
FUNDS USED				
CONSTRUCTION	$3,690	49.2%	$3,856	76.1%
RETIREMENT OF DEBT	2,381	31.7%	607	12.0%
OTHER	1,433	19.1%	604	11.9%
TOTAL	$7,504	100.0%	$5,067	100.0%

Capitalization

The aggregate capitalization of the regulated utility industry in New York State increased to $40.4 billion in 1986, an increase of $9.3 billion (29.9%) over the 1982 level. Securities were issued in approximately the same proportions as the historic ratios, resulting in very little change among the components. These details are compared in the table following:

CAPITALIZATION

COMPONENTS	1986		1982	
	$BILLIONS	PERCENT	$BILLIONS	PERCENT
DEBT (EXCLUDES SHORT TERM DEBT)	$17.84	44.2%	$13.49	43.4%
PREFERRED STOCK	2.67	6.6%	2.43	7.8%
COMMON EQUITY	19.86	49.2%	15.16	48.8%
TOTAL	$40.37	100.0%	$31.08	100.0%

Earnings Available for Common, Dividends, and Payout Ratios

Utility earnings improved from $1.7 billion in 1982 to $2.4 billion in 1986. The increase of $721 million (42.9%) in earnings available for common equity outpaced the 31% growth in equity investment indicating an improvement in the rate of return on equity.

As earnings grew, common dividends declared also increased. In 1986, New York State utilities* increased declared dividends to $1.7 billion. The increase of $494 million (41.9%) over the $1.2 billion declared in 1982 tracks the increases in earnings over the period. This is reflected in the composite payout ratios which remained at a steady 70% over the period. Maintaining stable payout ratios in periods of rising earnings leaves more internal funds for construction, for retirement of debt and for diversification.

The next table summarizes by utility industry earnings available for common shareholders, dividends declared and payout ratios for 1986 and 1982.

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* Data for Long Island Lighting Company has been excluded from these comparisons because the Company omitted its common dividend in 1984.

EARNINGS AVAILABLE, DIVIDENDS AND PAYOUT RATIOS

	EARNINGS AVAILABLE		COMMON DIVIDENDS		PAYOUT RATIOS	
	1986	1982	1986	1982	1986	1982
COMBINATION COMPANIES**	$1,253,228	$927,011	$855,860	$528,818	68.3%	57.0%
STRAIGHT GAS COMPANIES	65,666	55,253	56,287	34,163	85.7%	61.8%
TELEPHONE COMPANIES	1,059,584	686,466	754,469	612,163	71.2%	89.2%
WATER COMPANIES	15,887	10,864	6,845	4,283	43.1%	39.4%
TOTAL**	$2,394,365	$1,679,594	$1,673,461	$1,179,427	69.9%	70.2%

**EXCLUDES LONG ISLAND LIGHTING COMPANY

THE ELECTRIC INDUSTRY
HIGHLIGHTS

Ranking

The private electric industry is comprised of seven combination companies. Consolidated Edison Company of New York, Inc. is the larest company by any measure except the size of its service territory. It ranks first in all categories with over 40% of total industry revenues, dollars of plant and number of customers served; Niagara Mohawk follows with over 20% of these totals.

In 1986, these seven companies served over 6.6 million customers with 110,972 million kwh of electricity. Sales totaled $9.8 billion and the electric industry's investment in net electric plant in service totaled $14.1 billion.

Total electric revenues declined by $259 million to $10.2 billion in 1986. This reduction was primarily due to a 45.6% decrease ($303 million) in the sales category - Sales for Resale. The factors causing this decline are: a) importation of large amounts of Canadian hydropower reducing generation by utility owned plants; b) lower fuel prices which reduce resale revenue and the price of electricity; and c) the growth of county municipal distribution agencies which purchase inexpensive hydropower from the New York Power Authority.

The following table ranks the electric companies by revenue and shows their net plant in service and numbers of customers for 1986:

ELECTRIC UTILITIES IN NEW YORK STATE-1986

COMPANY	REVENUES (MILLIONS)	NET ELECTRIC PLANT IN SERVICE (MILLIONS)	CUSTOMERS (THOUSANDS)
CONSOLIDATED EDISON	$4,236	$5,818	2,831
NIAGARA MOHAWK	2,111	3,340	1,417
LONG ISLAND LIGHTING	1,612	1,655	959
NEW YORK STATE E&G	1,098	2,317	711
ROCHESTER G&E	487	691	310
CENTRAL HUDSON	377	306	232
ORANGE & ROCKLAND	297	310	168
TOTAL	$10,218	$14,437	6,628

Revenue and Sales

Electric operating revenues shown below include other operating revenues such as miscellaneous service revenues and transmission revenues from Municipal Distribution Agencies. Overall, total kwh sales to ultimate customers increased by 2.7 billion (2.8%) in 1986 while related revenues declined by $54 million. The revenue decline is partially attributable to a decrease in fuel price. The Commercial and Industrial sector experienced a growth of 1.8 billion kwh (2.9%) while residential customers used an additional 1.0 billion kwh (3.0%). This increase in commercial and industrial sales is the fifth consecutive year of growth.

Electric revenues, kwh sales, and revenue per kwh are shown for 1986 and 1985 in the following table:

ELECTRIC REVENUES AND SALES

		1986			1985	
CLASS	ELECTRIC REVENUES	KWH SALES	REVENUE PER KWH	ELECTRIC REVENUES	KWH SALES	REVENUE PER KWH
	(MILLIONS)	(MILLIONS)	(CENTS)	(MILLIONS)	(MILLIONS)	(CENTS)
RESIDENTIAL	$3,509.9	32,388.5	10.8	$3,504.1	31,424.5	11.2
COMMERCIAL & INDUSTRIAL	5,611.1	63,329.2	8.9	5,675.5	61,562.4	9.2
PUBLIC STREET & HIGHWAY LIGHTING	88.4	600.5	14.7	88.0	606.3	14.5
OTHER SALES OF ELECTRICITY EXCEPT RESALE SALES	220.3	2,685.0	8.2	215.7	2,679.1	8.1
TOTAL SALES TO ULTIMATE CUSTOMERS	9,429.8	99,003.3	9.5	9,483.2	96,272.2	9.9
SALES FOR RESALE	360.9	11,968.6	3.0	663.9	17,120.1	3.9
TOTAL REVENUES FROM ELECTRIC SALES	$9,790.7	110,971.9	8.8	$10,147.1	113,392.3	8.9
OTHER ELECTRIC OPERATING REVENUES	426.9	-	-	329.4	-	-
TOTAL ELECTRIC OPERATING REVENUES	$10,217.5	110,971.9	9.2	$10,476.5	113,392.3	9.2

Average Annual Bill Data

The following table lists average annual bill data by service category.

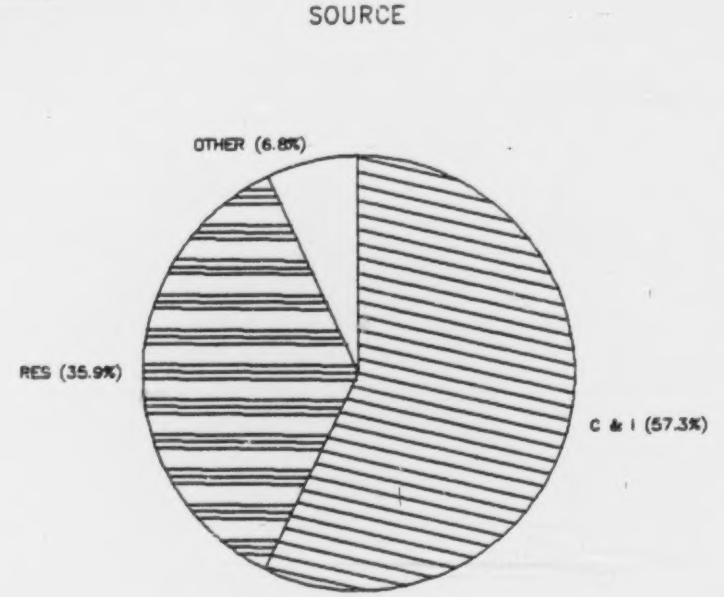
AVERAGE ANNUAL BILL DATA
ELECTRIC SERVICE COMPANIES
1986

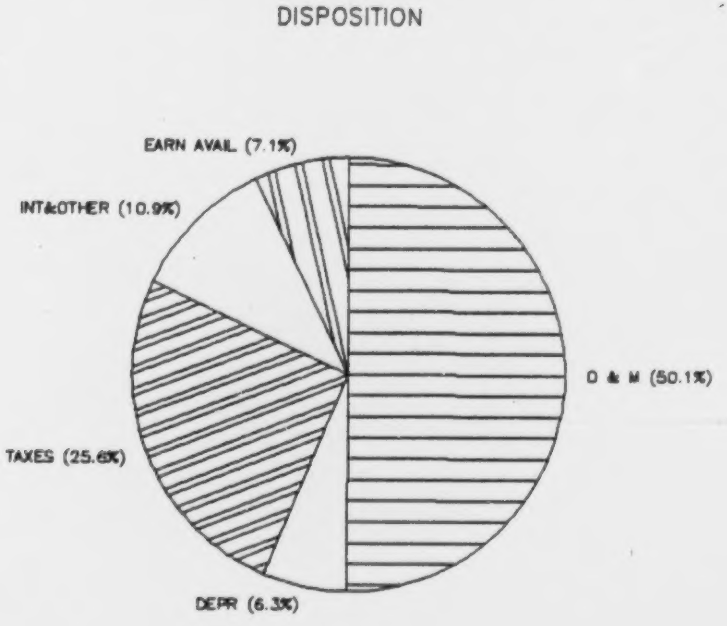
COMPANY	AVERAGE NUMBER OF CUSTOMERS	SALES REVENUES	KILOWATT-HOURS SOLD	AVERAGE ANNUAL BILL PER CUSTOMER	AVERAGE USAGE PER CUSTOMER	AVERAGE REVENUE PER KWH SOLD
	(THOUSANDS)	(MILLIONS)	(MILLIONS)		(000 KWH)	(CENTS)
			TOTAL			
CENTRAL HUDSON	232	$376	4,954	1,620	21.4	7.58
CONSOLIDATED EDISON	2,83[illegible]	3,927	31,791	1,387	11.2	12.35
LONG ISLAND	959	1,598	14,642	1,667	15.3	10.91
NEW YORK STATE E&G	711	1,085	15,352	1,525	21.6	7.07
NIAGARA MOHAWK	1,417	2,034	33,540	1,436	23.7	6.07
ORANGE & ROCKLAND	168	290	3,992	1,727	23.8	7.26
ROCHESTER G&E	310	481	6,702	1,552	21.6	7.18
COMPOSITE	6,627	$9,791	110,972	1,477	16.7	8.82
			RESIDENTIAL			
CENTRAL HUDSON	202	$139	1,311	690	6.5	10.63
CONSOLIDATED EDISON	2,462	1,208	8,128	491	3.3	14.86
LONG ISLAND	861	745	6,251	865	7.3	11.92
NEW YORK STATE E&G	636	457	4,791	719	7.5	9.54
NIAGARA MOHAWK	1,276	697	9,209	546	7.2	7.57
ORANGE & ROCKLAND	148	97	808	658	5.5	12.03
ROCHESTER G&E	280	167	1,890	596	6.8	8.82
COMPOSITE	5,864	$3,510	32,389	599	5.5	10.84
			COMMERCIAL AND INDUSTRIAL			
CENTRAL HUDSON	27	$185	2,562	6,797	94.3	7.21
CONSOLIDATED EDISON	368	2,615	21,574	7,114	58.7	12.12
LONG ISLAND	93	804	7,713	8,628	82.7	10.43
NEW YORK STATE E&G	66	423	5,671	6,443	86.5	7.45
NIAGARA MOHAWK	137	1,209	20,935	8,809	152.5	5.77
ORANGE & ROCKLAND	20	122	1,441	6,187	73.2	8.46
ROCHESTER G&E	27	253	3,433	9,284	125.8	7.38
COMPOSITE	738	$5,611	63,329	7,605	85.8	8.86
			SALES FOR RESALE			
	(UNITS)					
CENTRAL HUDSON	4	$26	795			3.32
CONSOLIDATED EDISON	4	55	1,623			3.41
LONG ISLAND	3	11	248			4.50
NEW YORK STATE E&G	9	96	3,545			2.70
NIAGARA MOHAWK	150	88	3,166			2.77
ORANGE & ROCKLAND	6	64	1,665			3.86
ROCHESTER G&E	8	20	925			2.21
			ALL OTHER SALES			
CENTRAL HUDSON	2,800	$25	286			8.83
CONSOLIDATED EDISON	1,509	$49	465			10.58
LONG ISLAND	4,360	37	430			8.65
NEW YORK STATE E&G	9,744	109	1,345			8.12
NIAGARA MOHAWK	3,125	41	230			17.75
ORANGE & ROCKLAND	397	7	77			8.63
ROCHESTER G&E	2,284	41	453			8.95

Source and Disposition of Funds

The charts below show the major sources of revenues and the distribution of those revenues to pay expenses for the year 1986. Residential, commercial and industrial revenues are depicted individually for electric operations. Also shown separately in the Source chart is Other Sales and Revenues.

The Disposition chart depicts the use of revenues by type of operating cost, *i.e.*, operation and maintenance expenses, depreciation expense and taxes, for all seven companies.





Supply and Disposition of Electric Energy

In 1986, the electric industry of New York State supplied 121.0 billion kilowatt hours of electricity, almost 5.7% less than 1985. Of this total, the electric industry generated 77.7 billion kwh and purchased 43.3 billion kwh from other state pools and Canada. The amount generated was 4.7 billion kwh less than that generated in the prior year.

Nuclear generation showed the largest change with a decline of 30.7%. This decrease was primarily attributable to a planned outage for refueling at Con Edison's Indian Point Plant No. 2. The generation decline was made up by additional purchases of 1.8 billion kwh (4.2%) in 1986 attributable mostly to continued importation of Canadian hydropower.

The following table shows the generation mix and purchases for 1986 and 1985.

SOURCE OF ELECTRIC ENERGY

	Kilowatt Hours Billions		
SOURCE	1986	1985	Percent Increase (Decrease)
GENERATION:			
Steam	62.28	63.56	(2.0)%
Nuclear	10.54	15.20	(30.7)
Hydro-Conventional	4.34	3.43	26.5
Other	0.56	0.24	133.3
TOTAL GENERATION	77.72	82.43	(5.7)
PURCHASES	43.29	41.53	4.2
TOTAL AVAILABLE ELECTRICITY	121.01	123.96	(2.4)%

Gross Plant Investment

The electric industry increased its investment in gross utility plant by $2.2 billion in 1986. More than 50% of this increase relates to the construction of nuclear production facilities at Shoreham and Nine Mile Point 2.

On September 10, 1986, the PSC approved a Settlement Agreement in which Nine Mile Point 2 construction costs eligible for rate treatment were limited to a total of $4.16 billion. Expenditures that are disallowed would be allocated among the cotenants in proportion to their ownership interests. On July 15, 1986, Niagara Mohawk entered into an agreement with the cotenants whereby that company would reimburse the other cotenants for a portion of the cost disallowance in excess of $4.16 billion.

Gas plant investment increased by $137.6 million (6.0%) in 1986 and steam plant increased by 3.6%. Gross plant investment for 1985 and 1986 is shown in the following table.

Gross Plant Investment

	1986		1985		Increase	
	Millions	%	Millions	%	Millions	%
Electric Plant	$32,240.4	89.7 %	$30,009.8	89.6 %	$2,230.6	7.4 %
Gas Plant	2,430.9	6.8	2,293.3	6.9	137.6	6.0
Steam Plant	258.6	0.7	249.40	0.7	9.20	3.6
Common Plant	1,020.5	2.8	930.60	2.8	89.90	9.6
Total	$35,950.4	100.0 %	$33,483.1	100.0 %	$2,467.3	7.3 %

Capitalization

Total long term investment in the electric industry rose by $1.5 billion (5.3%) to $28.1 billion in 1986. Common equity increased by $677 million (5.6%) while preferred stock decreased by less than 1%.

The following table summarizes the capitalization of the electric industry by components for 1986 and 1985:

CAPITALIZATION

	1986		1985	
	Millions	%	Millions	%
Long-Term Debt	$12,801.2	45.5 %	$11,952.7	44.9 %
Preferred Stock	2,573.6	9.2	2,601.50	9.8
Common Equity	12,732.2	45.3	12,055.30	45.3
Total	$28,107.0	100.0 %	$26,609.5	100.0 %

Earnings Available, Dividends and Payout Ratios

Earnings

In 1986, the per share earnings available to the common stockholders of the seven combination companies decreased for four of the seven companies. Long Island Lighting's earnings declined in 1986 due to disallowances of portions of its investments in two major nuclear construction projects (Shoreham and Nine Mile Point 2). The company stopped accruing an Allowance for Funds Used During Construction on the portions of the two nuclear projects which have been determined not to be recoverable in rates by the Commission. Central Hudson, Niagara Mohawk and Rochester Gas and Electric also had a decline in earnings per share, but to a lesser degree than Lilco. These three companies are also cotenants in the Nine Mile

Point 2 nuclear station and their future earnings will be affected by the disallowance.

Common Dividends

For the third consecutive year, Long Island Lighting did not declare dividends on common stock because of its austere financial condition. All other combination companies except RG&E increased their dividends between 28 cents per share (11.7%, Con Edison) to 2 cents a share (1.0%, Niagara Mohawk). RG&E maintained its dividends at $2.20 a share.

Payout Ratios

Five of the seven electric companies increased their dividends in 1986. The payout ratios of some companies increased because earnings levels declined. For example, RG&E held its dividends at $2.20 per share but a decline in earnings increased the payout from 62% to 66%.

The table which follows shows earnings per share common stock, common dividends per share and payout ratios for 1985 and 1986.

Earnings Available for Common,
Dividends and Payout Ratio

Company	Earnings Available for Common		Common Dividends per Share		Payout Ratios	
	1986	1985	1986	1985	1986	1985
Central Hudson	$4.53	$4.67	$2.96	$2.90	65.3	62.1
Con Edison	4.26	4.24	2.68	2.40	62.9	56.6
Lilco	2.13	3.98	0.00	0.00	0.0	0.0
NYSE&G	3.86	3.46	2.62	2.50	67.9	72.3
Niagara Mohawk	2.71	2.88	2.08	2.06	76.8	71.5
Orange & Rockland	2.91	2.81	2.16	2.09	74.2	74.4
Rochester Gas & Electric	3.34	3.58	2.20	2.20	65.9	61.5

THE GAS DISTRIBUTION INDUSTRY
HIGHLIGHTS

Of the 13 Class A and B gas utilities in New York State, six companies distribute gas only, and seven are the gas departments of the seven combination companies. In 1986, the straight gas companies accounted for 46% of the total gas revenues and provided service to 44% of the gas customers with 42% of the total investment in net gas plant.

The following table summarizes revenues, net gas plant and customers for 1986:

GAS UTILITIES IN NEW YORK STATE-1986

Company	Revenues	Net Gas Plant in Service	
Straight Gas Companies	(000's)	(000's)	Customers
Brooklyn Union Gas	$952,919	$710,437	1,083,623
National Fuel Gas Distribution	792,837	475,004	693,124
Columbia Gas Of New York	71,442	30,392	65,067
Corning Gas	39,629	6,255	11,998
St. Lawrence Gas	28,796	7,737	10,847
Syracuse Suburban Gas	16,703	5,403	4,183
Total	$1,902,326	$1,235,228	1,868,842

Company	Revenues	Net Gas Plant in Service	
Combination Gas Companies	(000's)	(000's)	Customers
Consolidated Edison	$696,973	$640,711	1,020,883
Niagara Mohawk	528,486	395,592	441,262
Long Island Lighting	372,849	294,725	407,917
Rochester Gas & Electric	261,688	169,546	242,658
New York State Electric & Gas	179,194	106,398	132,499
Orange and Rockland	127,683	75,149	95,710
Central Hudson	61,448	43,291	50,166
Total	$2,228,321	$1,725,412	2,391,095

Revenues and Sales

As a group, the 13 gas companies sold less gas and reported lower gas revenues in 1986 than in 1985; this was the second consecutive year of decline. Gas revenues decreased by almost $409 million (9.0%) while the volume of gas sold was by 21.2 million Mcf (3.1%) below 1985 levels. An increase in residential consumption was more than offset by the decline in revenues and sales; the decline was sharpest in the commercial and industrial sector which experienced reductions of $290 million (1.8%) and 13.1 million Mcf (4.7%), respectively. The overall decline in revenues was also affected by a general decline in the cost of purchased gas.

The decrease in the volume of gas sales in 1986 is primarily attributable to warmer weather conditions, price competition from oil and a reduction in usage by the combination companies' electric departments. The latter use gas as boiler fuel to generate electricity when gas supply is available and the price of gas per Btu is lower than oil. During 1986, gas prices were slightly higher than oil and, therefore, it was generally not economic to burn gas as boiler fuel. Gas revenues and sales statistics are showing in the following table:

GAS REVENUES AND SALES

	1986			1985		
CLASS	GAS REVENUES (MILLIONS)	Mcf SALES (MILLIONS)	REVENUE PER Mcf (DOLLARS)	GAS REVENUES (MILLIONS)	Mcf SALES (MILLIONS)	REVENUE PER Mcf (DOLLARS)
RESIDENTIAL	$2,641.9	361.4	$7.31	$2,637.4	344.8	$7.65
COMMERCIAL & INDUSTRIAL	1,298.8	265.4	4.89	1,589.6	278.5	5.71
OTHER	189.9	29.7	6.39	312.4	54.4	5.74
TOTAL	$4,130.6	656.5	6.29	$4,539.4	677.7	6.70

Average Annual Bill Data

The customers served, type of service provided and average annual bill per customer are shown for combination gas companies and straight gas companies in the following tables:

AVERAGE ANNUAL BILL DATA
GAS SERVICE COMPANIES
1986

COMPANY	AVERAGE NUMBER OF CUSTOMERS (THOUSANDS)	SALES REVENUES (MILLIONS)	Mcf SOLD (THOUSANDS)	AVERAGE ANNUAL BILL PER CUSTOMER	AVERAGE USAGE PER CUSTOMER (Mcf)	AVERAGE REVENUE PER Mcf SOLD
			TOTALS			
CENTRAL HUDSON	50	$60	9,166	$1,198	182.7	$6.56
CONSOLIDATED EDISON	1,021	692	95,354	678	93.4	7.25
LONG ISLAND	408	371	51,028	909	125.1	7.27
NEW YORK STATE E&G	132	176	29,223	1,328	220.6	6.02
NIAGARA MOHAWK	441	522	93,334	1,184	211.5	5.60
ORANGE & ROCKLAND	96	125	21,049	1,307	219.9	5.94
ROCHESTER G&E	243	258	42,418	1,063	174.8	6.08
COMPOSITE	2,391	$2,204	341,572	$922	142.9	$6.45
			RESIDENTIAL			
CENTRAL HUDSON	45	$30	3,829	$664	85.2	$7.80
CONSOLIDATED EDISON	933	407	45,370	436	48.6	8.96
LONG ISLAND	373	243	30,959	652	82.9	7.86
NEW YORK STATE E&G	113	91	13,778	803	121.5	6.61
NIAGARA MOHAWK	408	297	48,083	728	118.0	6.17
ORANGE & ROCKLAND	88	79	12,535	906	142.9	6.34
ROCHESTER G&E	225	164	25,649	729	114.1	6.39
COMPOSITE	2,185	$1,311	180,203	$600	82.5	$7.27
			COMMERCIAL AND INDUSTRIAL			
CENTRAL HUDSON	5	$24	4,223	5,014	872.7	$5.74
CONSOLIDATED EDISON	86	254	44,259	2,950	513.5	5.74
LONG ISLAND	35	122	19,047	3,516	549.0	6.40
NEW YORK STATE E&G	18	67	12,163	3,744	678.3	5.52
NIAGARA MOHAWK	34	211	41,628	6,267	1,234.8	5.08
ORANGE & ROCKLAND	8	43	7,787	5,378	977.2	5.50
ROCHESTER G&E	17	81	14,499	4,805	855.4	5.62
COMPOSITE	202	$803	143,605	3,971	709.9	$5.59
			SALES FOR RESALE			
	(UNITS)					
NEW YORK STATE E&G	1	$0.01	2			$5.68
NIAGARA MOHAWK	2	14.30	3,622			3.95
ORANGE & ROCKLAND	2	2.66	713			3.73
			ALL OTHER SALES			
CENTRAL HUDSON	382	$6	1,114			$5.36
CONSOLIDATED EDISON	1,424	31	5,725			5.41
LONG ISLAND LIGHTING	1	5	1,023			5.37
NEW YORK STATE E&G	1	18	3,280			5.42
ORANGE & ROCKLAND	1	0.06	14			4.09
ROCHESTER G & E	999	12.7	2,270			5.59

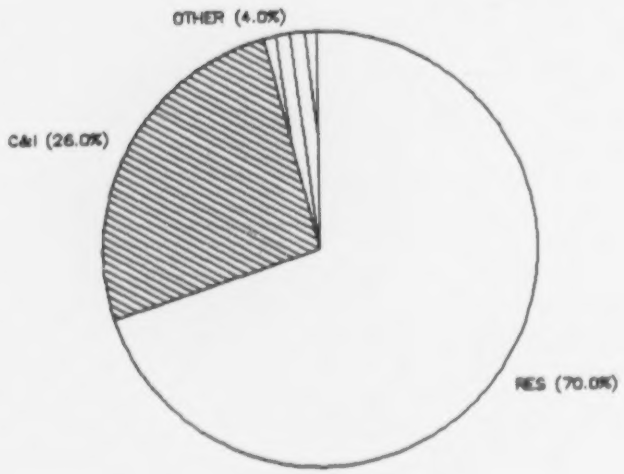
AVERAGE ANNUAL BILL DATA
GAS SERVICE COMPANIES
1986

COMPANY	AVERAGE NUMBER OF CUSTOMERS	SALES REVENUES	Mcf SOLD	AVERAGE ANNUAL BILL PER CUSTOMER	AVERAGE USAGE PER CUSTOMER	AVERAGE REVENUE PER Mcf SOLD
	(THOUSANDS)	(MILLIONS)	(THOUSANDS)		(Mcf)	
			TOTALS			
BROOKLYN UNION	1,084	$949	112,151	$876	103.5	$8.46
COLUMBIA GAS	65	71	12,303	1,096	189.1	5.79
CORNING GAS	12	39	8,857	3,282	738.2	4.45
NATIONAL FUEL GAS	693	781	139,800	1,126	201.7	5.58
ST. LAWRENCE GAS	11	29	7,383	2,651	680.7	3.89
SYRACUSE SUBURBAN	4	16	3,439	3,889	822.0	4.73
COMPOSITE	1,869	$1,386	283,933	$1,009	151.9	$6.64
			RESIDENTIAL			
BROOKLYN UNION	1,048	$764	81,167	$729	77.4	$9.41
COLUMBIA GAS	59	43	7,115	725	121.0	5.99
CORNING GAS	11	8	1,534	707	138.4	5.11
NATIONAL FUEL GAS	651	507	85,868	779	131.9	5.91
ST. LAWRENCE GAS	10	7	1,430	732	146.8	4.98
SYRACUSE SUBURBAN	3	2	409	743	128.2	5.80
COMPOSITE	1,782	$1,331	177,522	$747	99.6	$7.50
			COMMERCIAL AND INDUSTRIAL			
BROOKLYN UNION	32	$149	24,424	$4,593	753.3	$6.10
COLUMBIA GAS	6	29	5,188	4,592	831.4	5.52
CORNING GAS	1	9	2,062	11,370	2,539.7	4.48
NATIONAL FUEL GAS	42	273	53,932	6,523	1,287.0	5.07
ST. LAWRENCE GAS	1	22	5,954	19,536	5,378.1	3.63
SYRACUSE SUBURBAN	1	14	3,019	13,967	3,043.6	4.59
COMPOSITE	83	$496	94,579	$5,937	1,132.9	$5.24
			SALES FOR RESALE			
	(UNITS)					
CORNING GAS	2	$21.61	5,116			$4.22
SYRACUSE SUBURBAN	1	0.04	10			4.02
			ALL OTHER SALES			
BROOKLYN UNION	2,932	$37	6,551			$5.60
CORNING GAS	100	1	144			4.91

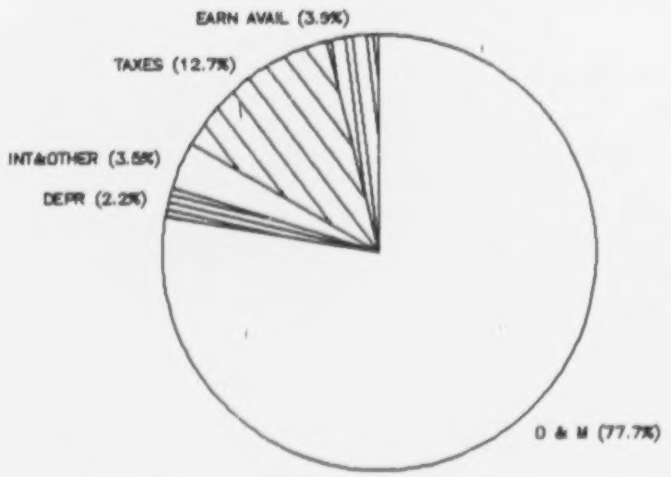
Source and Disposition of Funds

The graphs below show the major sources of revenues and the disposition of those revenues to pay expenses for the straight gas companies in 1986:

SOURCE



DISPOSITION

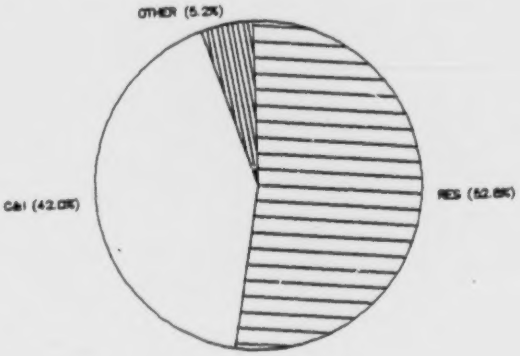


Operation and maintenance expense consumes the largest share of the gas revenue dollars and in 1986 it comprised 77.7% of total costs. This is a decline from 1985 levels and is primarily due to the reduced cost of purchased gas. Operating taxes and Federal income taxes are the second largest category of expense and comprise 12.7% of the total cost in 1986; this is an increase from the 11.9% ratio in 1985. Federal income taxes comprised 3.0% of the 12.7 percentage points. Interest and other fixed charges comprised 3.1% of total costs in 1985 and 3.5% in 1986, and earnings available for common equity increased from 3.3% to 3.9%.

In 1986, commercial and industrial sales were 26% of total revenues, while in 1985 they were 29%. Residential sales revenues comprised 70% of the total gas sales revenues in 1986 and 66% in 1985.

The graphs below show the major sources of revenues and use of these revenues to pay expenses by the gas departments of the combination companies.

SOURCE



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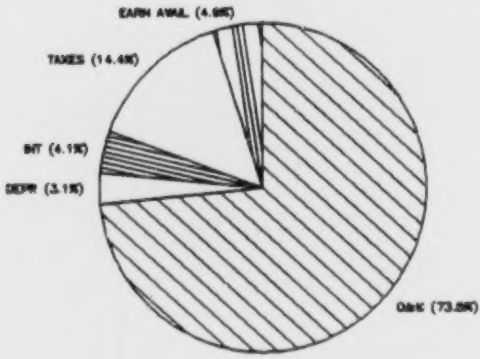


Gross Plant Investment

Gross plant investment by the gas industry was almost $4.1 billion in 1986, an increase of $242 million (6.3%) over the 1985 figures. The gross plant investment for 1985 and 1986 and the proportionate share for each segment is shown in the table below.

GROSS PLANT INVESTMENT

	1986		1985		Increase	
	Millions	%	Millions	%	Millions	%
Combination Companies	$2,430.9	59.6%	$2,293.3	59.7%	137.6	6.0%
Straight Gas Companies	1,650.0	40.4%	1,545.6	40.3%	104.4	6.8%
Total	$4,080.9	100.0%	$3,838.9	100.0%	$242.0	6.3%

Capitalization -- Straight Gas Companies

The permanent capital of the straight gas companies increased by 4.5% in 1986 to $1.21 billion. Long term debt increased $47 million (9.5%) over 1985. During the same period, common equity increased by $27 million although its proportion of total capitalization remained at 50.5%. Preferred stock decreased by almost $22 million. The components of capitalization for 1985 and 1986 and the proportionate share of the total are shown below.

Capitalization

	1986		1985	
	Millions	%	Millions	%
Long-Term Debt	$544.3	44.9%	$497.2	42.9%
Preferred Stock	55.7	4.6%	77.3	6.7%
Common Equity	611.2	50.5%	584.10	50.4%
Total	$1,211.2	100.0%	$1,158.6	100.0%

Earnings Available, Dividends and Payout Ratios

Earnings

In 1986, only Brooklyn Union Gas and National Fuel Gas, of the six straight gas companies, had less earnings available to the common stockholders than in 1985. Brooklyn Union's decrease is attributable to poor earnings from its subsidiaries, especially Fuel Resources Incorporated. That company reduced its recorded investment in gas and oil properties to reflect future gas and oil revenues at current prices. This restatement of investment decreased earnings per share $.64 on a consolidated basis.

Common Dividends

Three of the six straight gas companies increased their per share common dividends in 1986. Two of the three are subsidiaries of holding companies, while the third, Syracuse Suburban, is closely held. Brooklyn Union Gas increased its per share common dividend by $.04, while its earnings per share declined $.63 per share.

Payout Ratios

The payout ratios of two of the six straight gas companies, Brooklyn Union and National Fuel Gas, increased in 1986. Brooklyn Union's higher payout is primarily a function of lower earnings in 1986 rather than an increase in dividends.

The table which follows shows 1985 and 1986 earnings available for common, common dividends per share and payout ratios for the six straight gas companies.

Earnings Available for Common, Dividends and Payout Ratio

Company	Earnings Available for Common		Common Dividends per Share		Payout Ratios Percent	
	1986	1985	1986	1985	1986	1985
Brooklyn Union[n]	1.83	2.46	1.62	1.58	88.5	64.2
Columbia Gas	7.89	5.01	5.90	6.10	74.8	121.8
Corning Gas	2.72	2.38	1.83	1.72	67.3	72.3
National Fuel Gas Co.[*]	3.43	3.84	2.13	2.03	62.1	52.9
St. Lawrence Gas	2.38	2.20	1.00	1.25	42.0	56.8
Syracuse Suburban	8.71	7.55	3.00	4.00	34.4	53.0

[n] 1985 Amounts were adjusted for stock split(two for one) on March 6,1986.

[*] Figures represent National Fuel Gas Company and Subsidiaries.

THE TELEPHONE INDUSTRY
HIGHLIGHTS

Ranking

The telephone industry in New York State consists of 41 companies. New York Telephone Company ranks first with more than 75% of the revenues, 87% of the net plant and 90% of the access lines. The next largest is AT&T Communications of New York, Inc. (ATTCOM) with over 18% of revenues and 5% of net plant. ATTCOM provides interlata and interstate toll services for the connecting companies, and therefore it has no access lines.

In 1986, the telephone industry had 9.9 million access lines in service, received $9.4 billion in revenues, and had an investment of $12.6 billion in net plant.

The following table ranks the ten largest telephone companies by revenue, net telephone plant and access lines for 1986:

TELEPHONE UTILITIES IN NEW YORK STATE-1986

NAME	REVENUE	NET TELEPHONE PLANT IN SERVICE	ACCESS LINES
	(MILLIONS)	(MILLIONS)	(THOUSANDS)
NEW YORK TELEPHONE	$7,103	$11,007	8,987
ATTCOM	1,777	684	-
ROCHESTER TELEPHONE	241	414	415
CONTINENTAL TEL.-N.Y.	147	260	218
ALLTEL NEW YORK	43	76	78
HIGHLAND TELEPHONE	26	49	42
TACONIC TELEPHONE	9	15	19
WARWICK VALLEY TEL.	8	12	15
OGDEN TELEPHONE	6	14	15
SYLVAN LAKE TEL.	5	9	12
OTHER THIRTY-ONE	61	105	111
TOTAL	$9,426	$12,645	9,912

Telephone Revenues

Telephone operating revenues increased by $381 million (4.2%) in 1986. Access revenues, as a class, increased $336 million (17.9%). Toll revenues decreased $200 million (8.6%). The decline in toll revenues reflects reductions in toll rates brought about by the FCC and its policy of increasing cost allocations to local exchange services and to have such services bear their full cost. This federal policy coupled with a continued loss of toll revenues to other interexchange companies (those not required to file reports with the Commission, *e.g.* Sprint, MCI) reduced reported toll revenues.

Telephone revenues by type of service for 1986 and 1985 are shown in the table following:

TELEPHONE REVENUES

SOURCE	1986 (MILLIONS)	1986 % OF TOTAL	1985 (MILLIONS)	1985 % OF TOTAL	INCREASE/DECREASE (MILLIONS)	INCREASE/DECREASE %
LOCAL SERVICE	$4,551	48.3%	$4,274	47.3%	$277	6.5%
ACCESS REVENUE	2,218	23.5%	1,882	20.8%	336	17.9%
TOLL SERVICE	2,138	22.7%	2,338	25.8%	(200)	-8.6%
MISCELLANEOUS	519	5.5%	551	6.1%	(32)	-5.8%
TOTAL	$9,426	100.0%	$9,045	100.0%	$381	4.2%

Access Lines

Prior to the deregulation of customer premise equipment (CPE) in 1983, main stations were provided exclusively by the telephone company and were considered the standard unit of measurement. Subsequently, CPE was purchased by customers from other vendors and companies were unable to track the number of stations in service. As a result, a new standard was needed and the access line was selected to replace the main station.

Average access lines, revenues, and revenues per average access line for the four largest telephone companies providing local service follows:

REVENUES PER AVERAGE ACCESS LINE

COMPANIES*	AVERAGE ACCESS LINES 1986	AVERAGE ACCESS LINES 1985	REVENUES 1986	REVENUES 1985	REVENUES PER AVERAGE ACCESS LINE 1986	REVENUES PER AVERAGE ACCESS LINE 1985
	(THOUSANDS)		(MILLIONS)		(DOLLARS)	
NEW YORK TELEPHONE	8,903	8,663	$7,103	$6,634	$798	$766
ROCHESTER TELEPHONE	413	407	241	238	585	586
CONTINENTAL TEL.N.Y.	215	208	147	141	683	678
ALLTEL NEW YORK,INC.	77	76	43	43	560	568

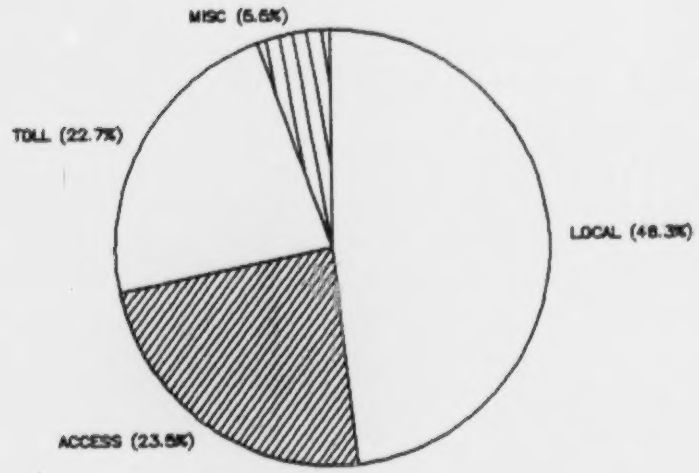
*AT&T COMMUNICATIONS OF NEW YORK,INC. IS EXCLUDED - DOES NOT PROVIDE LOCAL SERVICE.

New York Telephone's and Continental Telephone's revenue per average access line increased 4.2% and 0.7%, respectively. ALLTEL's and Rochester Telephone's decreased 1.4% and 0.2% respectively.

Source and Disposition of Funds

The sources of telephone revenues and their major disposition are depicted in the chart following:

SOURCE



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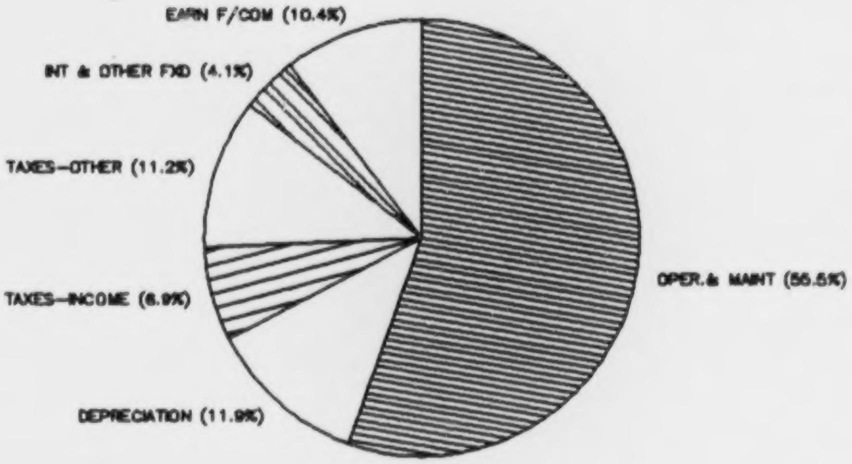


Capitalization

In 1986, the total permanent capital of the telephone industry rose $564 million (5.5%) to $10.8 billion over the 1985 levels. As a percentage share, the industry's common equity component increased by 1.4 percentage points and long term debt decreased by about the same.

As an industry, the capitalization is shown in the table following:

CAPITALIZATION

	1986		1985	
	(MILLIONS)	PERCENT	(MILLIONS)	PERCENT
LONG-TERM DEBT	$4,405.4	40.8%	$4,307.7	42.0%
PREFERRED STOCK	31.2	0.3%	31.9	0.3%
COMMON EQUITY	6,373.2	59.0%	5,905.9	57.6%
TOTAL	$10,809.8	100.0%	$10,245.5	100.0%

Earnings Available, Dividends and Payout Ratios

In 1986, earnings available for the 41 telephone companies rose $230 million (27.8%) over the 1985 level to $1.06 billion. New York Telephone accounted for almost 87% of this increase with earnings growth of $199 million, a 28.6% improvement over 1985. The primary reason for the increase was a rate increase granted during the last quarter of 1985. With regard to other major companies, ATTCOM and Rochester Telephone had earnings improvements of $21.8 million (9.5%) and $6.6 million (2.9%) respectively.

Earnings available, dividends and payout ratios are shown for the five largest telephone companies individually in the table following:

EARNINGS AVAILABLE, DIVIDENDS AND PAYOUT RATIOS

COMPANIES	EARNINGS AVAILABLE		COMMON DIVIDENDS		PAYOUT RATIOS	
	1986	1985	1986	1985	1986	1985
	(THOUSANDS)		(THOUSANDS)			
NEW YORK TELEPHONE	$891,925	$693,313	$615,276	$587,304	69.0%	84.7%
AT&T COMMUNICATIONS	79,505	57,744	88,803	35,320	111.7%	61.2%
ROCHESTER TELEPHONE	48,558	41,916	26,391	25,209	54.3%	60.1%
CONTINENTAL TEL-N.Y.	17,304	15,865	12,500	12,500	72.2%	78.8%
ALLTEL NEW YORK, INC.	6,328	5,300	5,780	3,771	91.3%	71.2%
OTHER 36 COMPANIES	15,963	15,097	5,719	4,897	35.8%	32.4%
TOTAL	$1,059,584	$829,234	$754,469	$669,002	71.2%	80.7%

NOTE: THIS STATEMENT WAS NOT PREPARED ON A PER-SHARE BASIS BECAUSE THREE OF THE OF THE FIVE COMPANIES ARE SUBSIDIARIES OF HOLDING COMPANIES AND THEREFORE HAVE ONLY ONE SHARE OF COMMON STOCK OUTSTANDING. UNDER THESE CONDITIONS COMPARISONS OF PER SHARE FIGURES ARE MEANINGLESS.

Detail data on each of the 41 telephone companies appears in Section III of this book.

THE WATER INDUSTRY
HIGHLIGHTS

Ranking

There are 12 Class A & B water companies in New York State with annual operating revenues of $700,000 or more. Last year's publication listed 15 Class A & B companies. Effective January 1987, the revenue thresholds used to classify companies A through E were increased significantly to recognize decades of inflation. As a result, three companies that were formerly B have been redesignated Class C or D for 1987 and did not file a Class A-B report for inclusion in this publication.

Jamaica Water Supply Company is the largest privately owned water company in the state with over 30% of industry revenues, investment in plant and number of customers served; Spring Valley Water Company, Inc. is second largest with approximately 20% of these totals.

In 1986, the Class A and B companies received $135.6 million in utility revenue on an investment of $236.2 million in net water plant in service. All of the water companies reported increases in both revenues and net plant in 1986. Revenues were higher primarily due to rate increases and increased consumption as compared to the drought-restricted usage experienced in 1985.

The following table ranks the water companies by revenue and shows net plant in service and number of customers for 1986:

WATER UTILITIES IN NEW YORK STATE-1986

NAME	REVENUE	NET PLANT IN SERVICE	CUSTOMERS
JAMAICA WATER SUPPLY	$41,540,932	$62,709,940	118,174
SPRING VALLEY WATER	30,244,321	75,845,371	53,761
LONG ISLAND WATER	23,630,022	29,730,493	72,076
NEW YORK WATER SERVICE	13,410,922	20,158,783	43,601
NEW ROCHELLE WATER	12,069,653	23,265,496	29,346
NEW YORK-AMERICAN	6,053,100	7,464,699	10,872
CITIZENS WATER-SUPPLY	3,941,807	4,963,326	7,724
SEA CLIFF WATER	1,236,811	1,552,943	4,469
WANAKAH WATER	1,112,177	1,849,933	3,542
COUNTRY KNOLLS WATER	985,147	2,416,196	4,461
SHOREWOOD WATER	708,339	4,814,163	4,273
OWEGO WATER WORKS	677,464	1,419,891	1,473
TOTAL	$135,610,695	$236,191,234	353,772

Revenues and Sales

Water revenues from sales to metered customers increased by $11.2 million (11.0%) in 1986, while revenues from sales to unmetered water customers declined by $5.5 million ($49.5%). Revenues from metered sales have increased by $38.7 million (52.5%) since 1982 and unmetered revenues declined by $11.6 million (67.5%). This change is primarily due to the metering program begun by Jamaica Water Company in 1981. The installation of meters for all of Jamaica's flat rate customers is scheduled for completion by December 31, 1992. In 1986 alone, the number of metered customers increased by over 17,000 and unmetered customers decreased by almost 16,500. The following table compares revenues by category of sales for 1986 and 1985:

WATER REVENUES

	1986		1985	
	THOUSANDS	% TOTAL	THOUSANDS	% TOTAL
METERED SALES	$112,313	82.8%	$101,161	76.3%
UNMETERED SALES	5,597	4.1%	11,074	11.8%
OTHER WATER REVENUES	17,700	13.1%	15,756	11.9%
TOTAL	$135,610	100.0%	$127,991	100.0%

The cost of metered water increased by 3 cents per thousand gallons in 1986 while the cost for unmetered water remained the same. Although total usage declined in 1986 by 2.4 billion gallons (4.1%), compared to 1985, metered usage increased by 9.4%. This change is due mainly to two factors: the metering of flat-rate customers, and the lifting of drought restrictions imposed in the New York City area in 1985. The following table compares 1986 and 1985 consumption and cost per thousand gallons:

COST PER THOUSAND GALLONS OF WATER

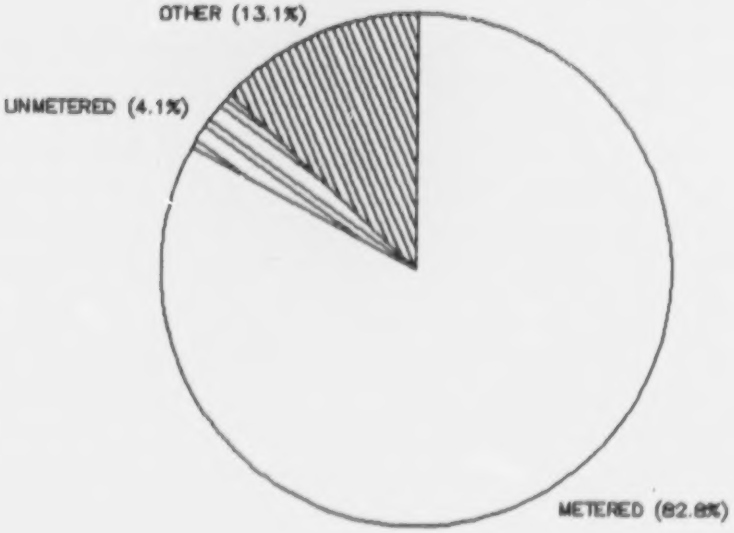
	1986			1985		
	REVENUE	GALLONS	COST PER 1,000 GALLONS	REVENUE	GALLONS	COST PER 1,000 GALLONS
	(THOUSANDS)	(MILLIONS)		(THOUSANDS)	(MILLIONS)	(DOLLARS)
METERED SALES	$112,313	50,842	$2.21	$101,161	46,459	$2.18
UNMETERED SALES	5,597	4,535	1.41	11,074	11,313	1.41
TOTAL	$117,910	55,377		$112,235	57,772	

Source and Use of Funds

The charts below show the major sources of revenues and the distribution of those revenues to pay expenses in 1986. Metered sales to customers and unmetered sales to general customers are depicted separately for water revenues.

The Disposition Chart depicts the use of revenues by type of operating cost, *e.g.*, operation and maintenance, depreciation expense and taxes for all 12 companies.

SOURCE



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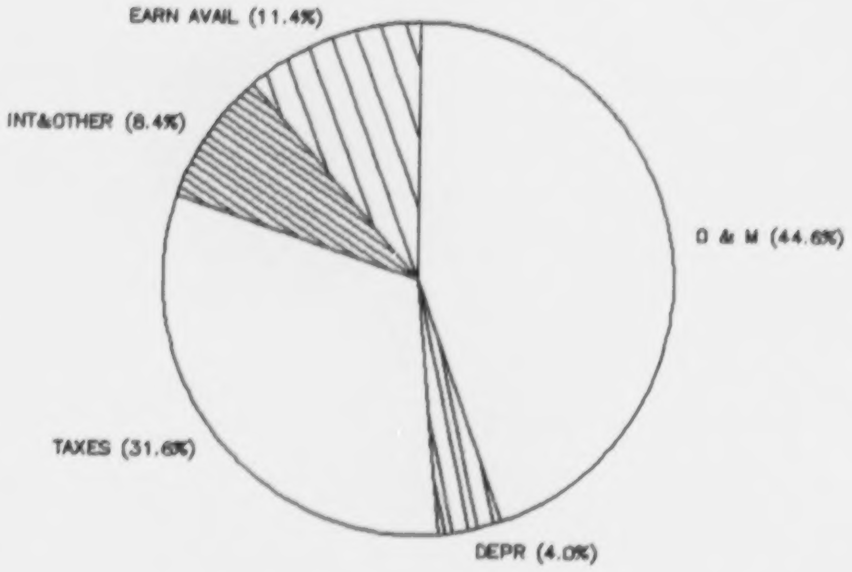


Average Annual Bill Data

The following table lists average annual bill data by service category:

AVERAGE ANNUAL BILL DATA
WATER INDUSTRY
1986

	AVERAGE NUMBER OF CUSTOMERS	SALES	GALLONS SOLD	AVERAGE ANNUAL BILL PER CUSTOMER	AVERAGE USAGE PER CUSTOMER	AVERAGE REVENUE PER THOUSAND GALLONS SOLD
TOTAL		(THOUSANDS)	(MILLIONS)		(THOUSAND GALLONS)	
CITIZENS WATER	7,724	$3,942	1,480	$510	192	$2.66
COUNTRY KNOLLS	4,461	984	359	221	80	2.74
JAMAICA WATER	118,174	40,923	22,057	346	187	1.86
LONG ISLAND WATER	72,076	23,581	10,020	327	139	2.35
NEW ROCHELLE	29,346	12,062	5,574	411	190	2.16
NEW YORK-AMERICAN	10,872	6,052	1,758	557	162	3.44
NEW YORK WATER SERVICE	43,601	13,409	5,158	308	118	2.60
OWEGO WATER	1,473	675	455	458	309	1.48
SEA CLIFF WATER	4,469	1,229	407	275	91	3.02
SHOREWOOD WATER	4,273	704	610	165	143	1.15
SPRING VALLEY	53,761	30,117	7,633	560	142	3.95
WANAKAH WATER	3,542	1,101	261	311	74	4.22
COMPOSITE	353,772	$134,779	55,772	381	158	2.42
METERED GENERAL CUSTOMERS						
CITIZENS WATER	7,644	$3,611	1,480	$472	194	$2.44
COUNTRY KNOLLS	4,461	915	359	205	80	2.55
JAMAICA WATER	93,982	28,560	17,524	304	186	1.63
LONG ISLAND WATER	71,543	21,758	10,018	304	140	2.17
NEW ROCHELLE	28,942	10,741	5,426	371	187	1.98
NEW YORK-AMERICAN	10,597	5,288	1,655	499	156	3.20
NEW YORK WATER SERVICE	43,466	12,217	5,158	281	119	2.37
OWEGO WATER	1,449	613	428	423	295	1.43
SEA CLIFF WATER	4,088	1,071	407	262	100	2.63
SHOREWOOD WATER	4,197	611	553	146	132	1.10
SPRING VALLEY	53,237	25,956	7,571	488	142	3.43
WANAKAH WATER	3,535	971	261	275	74	3.72
COMPOSITE	327,141	$112,312	50,840	343	155	2.21
UNMETERED GENERAL CUSTOMERS						
JAMAICA WATER	23,384	$5,592	4,533	$239	194	$1.23
LONG ISLAND WATER	7	5	2	729	231	2.50
	23,391	$5,597	4,535	239	194	1.23

Gross Plant Investment

The water industry increased its investment in gross utility plant by $17.1 million in 1986. Gross plant has been growing steadily in recent years at about 5.5% per year with all 12 companies reporting increases. Jamaica Water Supply had the largest overall increase of $7.3 million (15.1%), primarily for transmission and distribution plant and water treatment facilities. Owego Water Works had a $411,000 (27.7%) increase in water plant due to the addition of a new water storage tank.

Capitalization

The permanent capitalization of the water industry in 1986 was $242 million, a slight decrease from the previous year. The common equity increased by $10.2 million (4.2%) and long-term debt decreased by $9.6 million (3.9%).

The following table summarizes the capitalization of the water industry by components for 1986 and 1985:

CAPITALIZATION

	1986		1985	
	($ MILLIONS)	% OF TOTAL	($ MILLIONS)	% OF TOTAL
LONG-TERM DEBT	$84.5	34.9%	$94.1	38.9%
PREFERRED STOCK	10.8	4.5%	11.6	4.8%
COMMON EQUITY	146.6	60.6%	136.4	56.3%
TOTAL	$241.9	100.0%	$242.1	100.0%

Earnings Available, Dividends and Payout Ratios

Earnings

On a composite basis, earnings available to the common stockholders of the 12 water companies increased in 1986 by $1.6 million (11.3%), while dividends declared remained nearly the same as in 1985. The decline in composite dividend payout was primarily attributable to the cutback in dividends by Long Island Water Corp. which reduced its dividends to its parent. The table which follows shows earnings available for common dividends and the payout ratios for the three largest companies individually, and the nine other companies as a group:

EARNINGS AVAILABLE, DIVIDENDS AND PAYOUT RATIOS

COMPANIES	EARNINGS AVAILABLE		COMMON DIVIDENDS		PAYOUT RATIOS	
	1986	1985	1986	1985	1986	1985
	(THOUSANDS)		(THOUSANDS)			
SPRING VALLEY WATER	$4,949	$4,713	$3,047	$3,046	61.6%	64.6%
JAMAICA WATER SUPPLY	3,543	3,216	1,394	1,092	39.3%	34.0%
LONG ISLAND WATER	2,152	1,966	1,679	2,133	78.0%	108.5%
OTHER 9 COMPANIES	5,243	4,378	724	465	13.8%	10.6%
TOTAL	$15,887	$14,273	$6,844	$6,736	43.1%	47.2%

Details on the 12 water companies can be found in Section IV of this book.

COMPOSITE STATEMENTS

BALANCE SHEETS

INCOME STATEMENTS

STATEMENTS OF CHANGES IN FINANCIAL POSITION

STATEMENTS OF REVENUE, PLANT, AND OPERATION AND MAINTENANCE

DISTRIBUTION OF UTILITY REVENUES

Combination Gas and Electric Companies

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

TABLE 1 COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31

ITEM	1986	1985	1984	1983	1982
ASSETS AND OTHER DEBITS					
ELECTRIC UTILITY PLANT	$ 32,240,380,609	$ 30,009,764,291	$ 27,565,172,641	$ 25,016,074,182	$ 22,516,915,877
ACCUMULATED PROVISION FOR DEPR. AND AMORT.	6,323,623,561	5,881,392,104	5,484,777,473	5,228,863,718	4,814,977,059
NET ELECTRIC UTILITY PLANT	25,916,737,048	24,128,372,187	22,080,395,168	19,787,210,464	17,701,938,818
GAS UTILITY PLANT	2,430,927,796	2,293,321,402	2,176,834,152	2,083,290,248	1,984,765,271
ACCUMULATED PROVISION FOR DEPR. AND AMORT.	640,885,101	596,565,048	546,898,720	499,005,810	458,788,717
NET GAS UTILITY PLANT	1,790,042,695	1,696,756,354	1,629,935,432	1,584,284,438	1,525,976,554
OTHER UTILITY PLANT	1,279,011,967	1,180,009,433	1,136,548,153	1,018,944,656	949,634,027
ACCUMULATED PROVISION FOR DEPR. AND AMORT.	324,304,193	295,797,804	278,220,198	265,136,537	244,326,699
NET OTHER UTILITY PLANT	954,707,774	884,211,629	858,327,955	753,808,119	705,307,328
TOTAL UTILITY PLANT	35,950,300,372	33,483,095,126	30,878,554,946	28,118,309,086	25,451,315,175
ACCUMULATED PROVISION FOR DEPR. AND AMORT.	7,288,812,855	6,773,754,956	6,309,896,391	5,993,006,065	5,518,092,475
NET TOTAL UTILITY PLANT	28,661,487,517	26,709,340,170	24,568,658,555	22,125,303,021	19,933,222,700
NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	25,286,498	27,829,476	28,268,023	29,218,879	33,545,250
INVESTMENT IN ASSOCIATED COMPANIES	-	-	330,904	413,763	356,832
INVESTMENT IN SUBSIDIARY COMPANIES	402,869,231	148,333,461	139,322,190	123,640,378	105,369,463
OTHER INVESTMENTS	87,769,057	307,515,972	208,054,705	138,477,804	75,872,706
SPECIAL FUNDS	3,291,657	80,315,754	50,826,153	29,920,597	13,593,630
TOTAL OTHER PROPERTY AND INVESTMENTS	519,216,443	563,994,665	426,801,975	321,671,421	228,737,881
CASH	124,156,944	44,572,243	46,187,562	41,233,547	38,285,515
SPECIAL DEPOSITS	29,846,370	152,534,083	160,456,601	19,676,852	54,458,171
WORKING FUNDS	6,997,400	30,321,621	4,375,306	10,896,120	12,328,073
TEMPORARY CASH INVESTMENTS	1,141,712,304	902,955,900	843,760,903	883,259,682	351,455,335
NOTES + ACCOUNTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	1,068,438,353	1,122,750,861	1,126,296,725	1,116,496,793	987,048,864
RECEIVABLES FROM ASSOCIATED COMPANIES	15,914,895	8,203,178	8,918,724	7,685,154	10,003,869
MATERIALS AND SUPPLIES	490,927,453	653,815,563	733,645,887	656,552,290	751,844,975
GAS STORED UNDERGROUND-CURRENT	153,516,747	63,916,183	77,209,150	83,416,656	96,208,478
LIQUEFIED NATURAL GAS IN STORAGE	8,516,687	7,923,781	7,098,694	6,247,302	6,087,848
PREPAYMENTS	128,723,974	117,380,267	107,123,960	88,299,096	91,119,325
OTHER CURRENT AND ACCRUED ASSETS	67,915,355	83,398,618	88,511,945	68,565,025	57,421,953
TOTAL CURRENT AND ACCRUED ASSETS	3,238,766,481	3,187,772,299	3,203,585,457	2,982,326,517	2,454,262,406
UNAMORTIZED DEBT EXPENSE	279,498,712	196,260,882	141,755,143	92,740,164	82,406,430
EXTRAORDINARY PROPERTY LOSSES	266,864,258	186,405,792	175,081,494	148,631,299	124,029,953
PRELIMINARY SURVEY + INVESTIGATION CHARGES	5,571,817	3,834,647	7,243,793	7,518,291	6,425,415
CLEARING ACCOUNTS	2,269,198	3,053,581	3,354,552	5,219,562	3,912,363
DEFERRED LOSSES FROM DISP. OF UTILITY PLT.	-	-	-	-	-
RESEARCH AND DEVELOPMENT	9,331,217-	24,003,771-	14,635,120-	710,119-	7,968,166
ACCUMULATED DEFERRED INCOME TAXES	195,319,218	125,982,149	163,272,958	133,526,424	163,794,406
OTHER DEFERRED DEBITS	488,569,896	479,747,374	286,342,096	274,842,067	417,409,539
TOTAL DEFERRED DEBITS	1,228,761,882	971,280,664	762,414,912	661,767,688	805,946,872
TOTAL ASSETS AND OTHER DEBITS	$ 33,646,232,323	$ 31,432,387,788	$ 28,961,460,899	$ 26,091,068,647	$ 23,422,169,859
LIABILITIES AND OTHER CREDITS					
COMMON STOCK ISSUED	$ 2,124,744,323	$ 2,066,892,324	$ 2,040,892,370	$ 1,937,200,589	$ 1,803,750,119
PREFERRED STOCK ISSUED	2,573,606,971	2,601,488,691	2,607,363,314	2,621,788,319	2,304,812,189
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
PREMIUM ON CAPITAL STOCK	3,879,618,659	3,872,637,517	3,676,109,680	3,405,146,111	3,020,104,079
OTHER PAID-IN CAPITAL	387,517,892	387,582,871	386,953,498	364,659,913	364,218,253
INSTALLMENTS RECEIVED ON CAPITAL STOCK	100,886	107,481	342,890	337,245	443,061
CAPITAL STOCK EXPENSE	138,125,283-	134,499,242-	133,624,908-	132,326,826-	121,356,131-
RETAINED EARNINGS	6,422,652,259	5,804,030,268	5,040,972,570	4,156,908,404	3,645,914,282
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	99,441,095	86,161,792	72,190,171	64,058,775	28,935,286
REACQUIRED CAPITAL STOCK	25,701,240-	7,653,963-	1,854,284-	4,147,600-	2,008,000-
TOTAL PROPRIETARY CAPITAL	15,305,855,561	14,656,747,739	13,669,345,301	12,413,624,930	11,044,813,138
BONDS(LESS BONDS REACQUIRED)	9,528,092,500	9,132,020,500	8,745,419,500	8,139,062,500	7,917,702,500
ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
OTHER LONG-TERM DEBT	3,303,433,666	2,830,012,244	2,188,711,466	1,817,779,684	959,902,621
NET UNAMORTIZED PREMIUM AND DISCOUNT	30,422,217-	9,283,272-	9,014,566-	6,024,050-	1,676,207-
TOTAL LONG-TERM DEBT	12,801,103,949	11,952,749,472	10,925,116,400	9,950,818,134	8,875,928,914
NOTES PAYABLE	250,612,500	127,800,000	111,150,000	212,350,000	269,150,000
ACCOUNTS PAYABLE	629,697,064	681,069,882	718,530,934	711,367,093	755,361,806
PAYABLES TO ASSOCIATED COMPANIES	3,412,882	2,770,613	3,475,427	1,954,839	3,374,434
CUSTOMER DEPOSITS	160,644,939	147,544,649	129,771,860	111,924,529	103,065,783
TAXES ACCRUED	264,591,882	248,655,877	363,680,198	277,192,560	239,511,526
INTEREST ACCRUED	274,401,121	272,431,781	262,629,026	215,002,277	198,884,422
DIVIDENDS DECLARED	44,907,382	44,743,158	43,715,873	93,123,905	83,412,760
TAX COLLECTIONS PAYABLE	35,773,981	39,216,051	42,277,888	39,760,279	36,898,855
OTHER CURRENT AND ACCRUED LIABILITIES	581,387,633	484,872,221	377,592,049	348,242,058	306,451,316
TOTAL CURRENT AND ACCRUED LIABILITIES	2,145,429,384	2,049,104,232	2,032,823,256	2,010,917,540	1,996,110,902
CUSTOMER ADVANCES FOR CONSTRUCTION	15,878,747	13,821,434	11,161,873	6,410,251	5,362,354
DEFERRED GAINS FROM DISP. OF UTILITY PLT	-	-	-	-	-
ACCUM. DEFERRED INVESTMENT TAX CREDITS	876,062,223	994,073,477	868,590,017	634,044,063	487,730,403
OTHER DEFERRED CREDITS	425,283,234	453,976,667	365,403,786	198,988,568	187,795,922
ACCUMULATED DEFERRED INCOME TAXES					
ACCELERATED AMORTIZATION	7,849,911	9,979,714	12,437,130	15,796,762	19,314,236
LIBERALIZED DEPRECIATION	1,699,891,769	979,569,040	793,147,943	600,513,389	493,739,689
OTHER	335,139,686	298,491,120	250,887,081	238,599,905	293,684,766
TOTAL DEFERRED CREDITS	3,360,105,570	2,749,911,452	2,301,617,810	1,694,352,938	1,487,627,370
PROPERTY INSURANCE RESERVE	1,204,766	909,036	939,962	1,619,072	1,450,008
INJURIES AND DAMAGES RESERVE	26,530,029	21,861,406	19,614,391	20,506,373	18,672,490
PENSIONS AND BENEFITS RESERVE	1,808,824	2,097,539	1,679,971	1,232,996	771,727
MISCELLANEOUS OPERATING RESERVES	4,194,240	993,088-	10,323,789	2,003,336-	3,204,690-
TOTAL OPERATING RESERVES	33,737,859	23,874,893	32,558,133	21,355,105	17,689,535
TOTAL LIABILITIES AND OTHER CREDITS	$ 33,646,232,323	$ 31,432,387,788	$ 28,961,460,899	$ 26,091,068,647	$ 23,422,169,859

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK
TABLE 2. COMPARATIVE INCOME STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

ITEM	1986	1985	1984	1983	1982
COMPARATIVE INCOME STATEMENTS					
ELECTRIC UTILITY OPERATING INCOME					
OPERATING REVENUES	$ 10,217,528,088	$ 10,476,542,771	$ 10,563,784,310	$ 9,853,074,822	$ 9,057,237,377
OPERATION AND MAINTENANCE EXPENSE	5,116,242,557	5,634,078,975	6,009,031,134	5,783,107,997	5,489,930,645
DEPRECIATION EXPENSE	602,269,840	573,518,465	514,749,202	481,662,615	455,138,513
AMORTIZATION	45,132,104	48,459,248	32,715,914	33,221,591	37,086,784
TAXES OTHER THAN INCOME TAXES-OPERATING	1,568,222,522	1,505,065,414	1,450,201,951	1,347,230,567	1,202,660,236
INCOME TAXES-OPERATING	1,056,483,254	928,950,019	879,685,943	685,355,652	495,246,604
GAINS/LOSSES FROM DISP OF UTILITY PLANT	41,513-	242,885-	745,478-	584,505-	9,337-
TOTAL OPERATING EXPENSES	8,308,308,764	8,689,829,237	8,885,639,667	8,329,993,917	7,680,053,445
NET OPERATING REVENUES	1,829,219,324	1,786,713,534	1,678,144,643	1,523,080,905	1,377,183,932
INC. FROM LSD. PLT. & OTHER OPER. INC.	49,223	46,583	7,189-	-	-
ELECTRIC UTILITY OPERATING INCOME	1,829,268,547	1,786,760,117	1,678,137,454	1,523,080,905	1,377,183,932
GAS UTILITY OPERATING INCOME					
OPERATING REVENUES	2,228,321,666	2,476,310,855	2,607,459,612	2,521,647,184	2,249,132,956
OPERATION AND MAINTENANCE EXPENSE	1,639,642,166	1,883,733,122	2,007,786,443	1,992,799,745	1,783,829,562
DEPRECIATION EXPENSE	65,972,512	70,903,141	67,161,330	60,056,226	55,671,861
AMORTIZATION	3,440,570	1,608,300	1,712,524	1,835,141	2,559,061
TAXES OTHER THAN INCOME TAXES-OPERATING	256,483,202	257,360,592	250,672,970	234,163,037	208,624,257
INCOME TAXES-OPERATING	64,977,184	76,205,034	82,266,262	57,026,729	56,456,663
GAINS/LOSSES FROM DISP OF UTILITY PLANT	73,119-	-	-	-	-
TOTAL OPERATING EXPENSES	2,030,442,515	2,289,810,187	2,409,599,529	2,345,880,878	2,108,141,394
NET OPERATING REVENUES	197,879,141	186,500,668	197,860,083	175,766,306	140,991,562
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-
GAS UTILITY OPERATING INCOME	197,879,141	186,500,668	197,860,083	175,766,306	140,991,562
OTHER UTILITY OPERATING INCOME	23,319,678	18,471,386	25,474,823	19,487,741	28,302,183
TOTAL UTILITY OPERATING INCOME	2,050,467,366	1,991,732,171	1,901,472,360	1,718,334,952	1,546,477,677
OTHER INCOME					
INC FROM MDSE, JOBBING & CONTRACT WORK	53,160-	46,837-	146,160	112,973-	213,095-
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-
NONOPERATING RENTAL INCOME	525,238	297,911	110,706	16,539-	152,300
EQUITY IN EARNINGS OF SUBSIDIARY COS	14,281,721	15,666,965	11,085,457	14,594,036	16,449,353
INTEREST AND DIVIDEND INCOME	84,743,000	106,232,321	110,359,614	61,331,278	67,343,741
ALLOWANCE FOR CONSTRUCTION FUNDS	625,025,046	779,389,288	670,107,355	564,156,170	414,336,328
MISCELLANEOUS NONOPERATING INCOME	7,702,940	808,514	19,813,224	2,767,471	13,841,633
GAIN ON DISPOSITION OF PROPERTY	1,993,835	1,195,806	879,653	227,048	4,817,597
TOTAL OTHER INCOME	734,218,620	903,543,967	812,502,169	642,946,491	516,727,857
TOTAL INCOME	2,784,685,986	2,895,276,138	2,713,974,529	2,361,281,443	2,063,205,534
INCOME DEDUCTIONS					
TAXES OTHER THAN INC. TAXES-NONOPERATING	2,739,992	2,906,104	1,507,006-	1,516,531	1,561,270
INCOME TAXES-NONOPERATING	160,695,936-	139,589,657-	141,647,885-	90,196,069-	69,421,091-
LOSS ON DISPOSITION OF PROPERTY	578,903	8,412,514	95,744	162,404	34,361
MISCELLANEOUS AMORTIZATION	699,791	712,316	1,511,120	2,108,476	2,110,127
MISCELLANEOUS INCOME DEDUCTIONS	28,535,652	7,965,835	42,197,684	14,141,970	16,646,443
TOTAL INCOME DEDUCTIONS	128,141,598-	119,592,888-	99,350,343-	72,266,688-	49,068,890-
INCOME BEFORE INTEREST CHARGES	2,912,827,584	3,014,869,026	2,813,324,872	2,433,548,131	2,112,274,424
INTEREST CHARGES					
INTEREST ON LONG-TERM DEBT	1,143,473,602	1,035,466,681	932,828,043	799,256,158	681,566,927
AMORT OF DEBT DISCOUNT AND EXPENSE	20,447,920	21,045,993	14,552,127	8,765,803	7,059,230
AMORT OF PREMIUM ON DEBT-CREDIT	832,003-	870,001-	905,144-	966,460-	1,043,864-
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	1,354,840	-	-
OTHER INTEREST EXPENSE	49,909,291	43,445,777	53,152,134	54,008,952	69,623,284
TOTAL INTEREST CHARGES	1,212,998,810	1,099,088,450	1,000,982,000	861,064,453	757,205,577
INCOME BEFORE EXTRAORDINARY ITEMS	1,699,828,774	1,915,780,576	1,812,342,872	1,572,483,678	1,355,068,847
EXTRAORDINARY ITEMS					
EXTRAORDINARY INCOME	-	-	-	-	-
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-
NET INCOME	$ 1,699,828,774	$ 1,915,780,576	$ 1,812,342,872	$ 1,572,483,678	$ 1,355,068,847
DIVIDENDS DECLARED-PREFERRED STOCK	$ 129,926,407	$ 143,074,197	$ 191,984,217	$ 204,132,142	$ 178,672,757
-COMMON STOCK	855,859,715	803,370,096	728,151,739	822,185,511	715,681,935
SELECTED BALANCE SHEET RELATIONSHIPS					
CURRENT ASSETS / CURRENT LIABILITIES	1.51	1.66	1.56	1.48	1.23
PERCENT OF CAPITALIZATION:					
LONG-TERM DEBT	45.5	44.9	44.4	44.4	44.5
PREFERRED STOCK	9.1	9.7	10.6	11.7	11.6
COMMON STOCK + OTHER PAID-IN CAPITAL	22.4	23.4	24.4	26.1	25.5
RETAINED EARNINGS	22.8	21.8	20.4	18.5	18.3
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	[illegible]	35.6	35.3	35.3	34.8
ACCUM PROVISION FOR DEPR.: % OF UTILITY PLT	20.7	20.2	20.4	21.3	21.6
SELECTED INCOME ACCOUNT RELATIONSHIPS					
ELECTRIC OPERATING REVENUES:					
% OF TOTAL OPERATING REVENUES	80.3	78.8	77.9	77.3	77.4
PERCENT OF ELECTRIC OPERATING REVENUES:					
ELECTRIC OPERATION AND MAINTENANCE	50.0	53.7	56.8	58.6	60.6
ELECTRIC DEPRECIATION AND AMORTIZATION	6.3	5.9	5.1	5.2	5.4
TOTAL INCOME TAXES-ELECTRIC, OPERATING	10.3	8.8	8.3	6.9	5.4
OTHER TAXES-ELECTRIC, OPERATING	15.3	14.3	13.7	13.6	13.2
TOTAL ELECTRIC OPERATING EXPENSE	81.3	82.9	84.1	84.5	84.7
ELECTRIC OPERATING INCOME	17.9	17.0	15.8	15.4	15.2
GAS OPERATING REVENUES:					
% OF TOTAL OPERATING REVENUES	17.5	18.6	19.2	19.7	19.2
PERCENT OF GAS OPERATING REVENUES:					
GAS OPERATION AND MAINTENANCE	73.5	76.0	77.0	79.0	79.3
GAS DEPRECIATION AND AMORTIZATION	3.1	2.9	2.6	2.4	2.6
TOTAL INCOME TAXES-GAS, OPERATING	2.9	3.0	3.1	2.2	2.5
OTHER TAXES-GAS, OPERATING	11.5	10.3	9.6	9.2	9.2
TOTAL GAS OPERATING EXPENSE	91.1	92.4	92.4	93.0	93.7
GAS OPERATING INCOME	8.8	7.5	7.5	6.9	6.2
INTEREST EXPENSE:					
PRETAX COVERAGE	3.2	3.4	3.4	3.4	3.2
NET INCOME-PERCENT OF OPERATING REVENUES	13.3	14.4	13.3	12.3	11.5
DIVIDEND APPROPRIATIONS, COMMON STOCK					
PERCENT OF EARNINGS AVAILABLE FOR COMMON	57.4	47.5	45.9	60.0	60.8
PERCENT OF AVERAGE COMMON EQUITY					
EARNINGS AVAILABLE FOR COMMON STOCK	12.0	14.6	15.1	14.7	14.3

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
TABLE 3. COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ITEM	1986	1985	1984	1983	1982
ELECTRIC OPERATING REVENUES					
REVENUES					
RESIDENTIAL	$ 3,509,933,077	$ 3,504,067,277	$ 3,483,373,042	$ 3,279,767,299	$ 2,986,758,004
COMMERCIAL AND INDUSTRIAL	5,611,055,657	5,575,506,987	5,664,247,631	5,316,537,253	4,956,332,985
PUBLIC STREET AND HIGHWAY LIGHTING	88,442,322	88,035,211	85,759,660	81,048,611	77,657,910
OTHER PUBLIC AUTHORITIES	212,630,375	206,575,994	200,319,147	185,621,123	171,561,620
RAILROADS AND RAILWAYS	5,547,906	6,993,059	9,541,856	12,803,428	13,331,426
INTERDEPARTMENTAL	2,073,599	2,066,045	1,882,938	1,786,816	2,228,141
TOTAL REVENUES FROM ULTIMATE CONSUMERS	9,429,782,936	9,483,244,573	9,445,124,264	8,877,564,530	8,207,870,086
RESALE	360,885,893	663,875,971	834,584,116	698,462,223	591,330,654
TOTAL REVENUES FROM ELECTRIC SALES	9,790,668,829	10,147,120,544	10,279,708,380	9,576,026,753	8,799,200,740
OTHER ELECTRIC OPERATING REVENUES	426,859,259	329,422,228	284,075,930	277,048,069	258,036,637
TOTAL ELECTRIC OPERATING REVENUES	$ 10,217,528,088	$ 10,476,542,772	$ 10,563,784,310	$ 9,853,074,822	$ 9,057,237,377
KILOWATT-HOUR SALES (THOUSANDS)					
RESIDENTIAL	32,388,539	31,424,464	31,524,329	30,791,601	29,660,265
COMMERCIAL AND INDUSTRIAL	63,329,189	61,562,404	60,790,013	58,500,414	56,535,950
PUBLIC STREET AND HIGHWAY LIGHTING	600,476	606,331	617,684	627,158	641,028
OTHER PUBLIC AUTHORITIES	2,601,833	2,588,771	2,488,381	2,442,415	2,336,859
RAILROADS AND RAILWAYS	52,826	56,478	73,281	104,172	110,158
INTERDEPARTMENTAL	30,440	33,792	31,785	33,119	40,551
TOTAL SALES TO ULTIMATE CONSUMERS	99,003,302	96,272,241	95,525,474	92,498,878	89,324,811
RESALE	11,968,583	17,120,055	18,502,842	15,014,089	12,915,291
TOTAL KILOWATT-HOUR SALES	110,971,884	113,392,296	114,028,316	107,512,967	102,240,102
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)					
RESIDENTIAL	5,864,252	5,801,446	5,741,280	5,685,300	5,638,891
COMMERCIAL AND INDUSTRIAL	738,824	719,534	704,976	695,649	688,713
PUBLIC STREET AND HIGHWAY LIGHTING	8,961	9,409	9,190	8,989	9,295
OTHER PUBLIC AUTHORITIES	15,251	14,763	14,413	14,503	14,475
RAILROADS AND RAILWAYS	4	4	4	4	4
INTERDEPARTMENTAL	3	2	2	2	2
TOTAL ULTIMATE CONSUMERS	6,627,294	6,545,158	6,469,865	6,404,447	6,351,380
RESALE	184	185	183	185	192
TOTAL CUSTOMERS	6,627,478	6,545,343	6,470,048	6,404,632	6,351,572
ELECTRIC OPERATING REVENUE RELATIONSHIPS					
RESIDENTIAL SALES					
AVERAGE ANNUAL BILL PER CUSTOMER	$ 598.53	$ 604.00	$ 606.72	$ 576.89	$ 529.67
AVERAGE KWH CONSUMPTION PER CUSTOMER	5,523	5,417	5,491	5,416	5,260
AVERAGE REVENUE PER KWH SOLD (CENTS)	10.84	11.15	11.05	10.65	10.07
COMMERCIAL AND INDUSTRIAL SALES					
AVERAGE ANNUAL BILL PER CUSTOMER	$ 7,594.58	$ 7,887.75	$ 8,034.67	$ 7,642.96	$ 7,196.51
AVERAGE KWH CONSUMPTION PER CUSTOMER	85,716	85,559	86,230	84,095	82,089
AVERAGE REVENUE PER KWH SOLD (CENTS)	8.86	9.22	9.32	9.09	8.77
ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
POWER PRODUCTION EXPENSES					
STEAM POWER					
FUEL	$ 1,636,213,935	$ 2,257,648,148	$ 2,585,656,346	$ 2,570,890,615	$ 2,571,264,065
OTHER	435,095,243	407,620,366	355,239,875	354,296,335	328,077,689
TOTAL STEAM POWER EXPENSES	2,071,309,178	2,665,268,514	2,940,896,221	2,925,186,950	2,899,341,754
NUCLEAR POWER					
FUEL	66,229,956	106,642,810	55,835,331	97,026,882	35,814,291
OTHER	146,096,804	108,027,192	156,306,617	102,382,860	119,715,411
TOTAL NUCLEAR POWER EXPENSES	212,326,760	214,670,002	212,141,948	199,409,742	155,529,702
HYDRAULIC POWER					
WATER FOR POWER	4,639,967	2,930,901	4,452,609	4,496,633	3,980,795
OTHER	15,128,968	15,336,907	15,468,673	14,502,518	14,899,189
TOTAL HYDRAULIC POWER EXPENSES	19,768,935	18,267,808	19,921,282	18,999,151	18,879,984
OTHER POWER GENERATION					
FUEL	41,092,906	33,059,629	45,744,260	32,614,292	26,682,734
OTHER	38,710,774	34,577,372	33,883,550	41,043,573	32,428,959
TOTAL OTHER POWER GENERATION EXPENSE	79,803,680	67,637,001	79,627,810	73,657,865	59,111,693
OTHER POWER SUPPLY EXPENSES					
PURCHASED POWER	1,045,968,352	1,103,428,526	1,277,200,256	1,134,178,719	1,050,241,290
OTHER	21,523,506	19,101,581	15,797,538	14,625,569	13,579,380
TOTAL OTHER POWER SUPPLY EXPENSES	1,067,491,858	1,122,530,107	1,292,997,794	1,148,804,288	1,063,820,670
TOTAL POWER PRODUCTION EXPENSES	3,450,700,411	4,088,373,432	4,545,585,055	4,366,057,996	4,196,683,803
TRANSMISSION EXPENSES	170,038,810	162,973,709	164,010,796	140,892,610	125,812,204
DISTRIBUTION EXPENSES	465,895,217	436,532,011	403,424,190	407,140,423	371,998,823
CUSTOMER ACCOUNTS EXPENSES	254,340,492	250,832,209	253,701,200	241,131,720	232,289,289
SALES EXPENSES	42,817,027	30,057,251	32,881,617	31,117,832	25,096,283
ADMINISTRATIVE AND GENERAL	732,450,595	666,310,357	619,428,276	596,767,416	538,050,243
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 5,116,242,557	$ 5,634,078,975	$ 6,009,031,134	$ 5,783,107,997	$ 5,489,930,645
ELECTRIC UTILITY PLANT*					
ELECTRIC UTILITY PLANT					
ELECTRIC PLANT IN SERVICE					
INTANGIBLE PLANT	$ 7,996,609	$ 1,615,034	$ 230,476	$ 230,477	$ 230,297
PRODUCTION PLANT					
STEAM	5,600,666,398	5,521,563,910	5,434,982,746	4,331,883,363	4,264,373,502
NUCLEAR	1,384,628,262	1,220,781,958	1,200,234,474	1,060,149,209	925,900,375
HYDRAULIC	384,341,744	361,613,477	332,157,378	304,562,103	232,606,426
OTHER	312,862,398	311,413,581	305,754,344	301,406,329	300,406,690
TRANSMISSION PLANT	3,380,721,787	3,338,549,353	3,230,488,895	3,123,493,733	2,999,161,357
DISTRIBUTION PLANT	8,074,879,737	7,704,140,429	7,287,832,983	6,984,392,248	6,729,439,814
GENERAL PLANT	238,085,798	211,248,239	178,047,889	154,228,749	156,399,988
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-
NUCLEAR FUEL ASSEMBLIES	1,071,693,929	1,042,663,152	920,592,253	851,345,467	733,855,362
TOTAL ELECTRIC PLANT IN SERVICE	20,455,876,862	19,713,569,133	18,890,321,438	17,111,691,678	16,342,373,811
PLANT LEASED TO OTHERS	10,389,210	1,108,341	1,108,341	105,000	105,000
PLANT HELD FOR FUTURE USE	1,239,856,819	37,640,686	35,392,644	35,943,406	34,152,888
CONSTRUCTION WORK IN PROGRESS	10,532,045,399	10,255,175,305	8,635,001,091	7,865,906,667	6,137,778,441
PLANT ACQUISITION ADJUSTMENTS	2,192,519	2,270,824	2,349,128	2,427,432	2,505,737
TOTAL ELECTRIC UTILITY PLANT	32,240,360,609	30,009,764,291	27,565,172,641	25,016,074,182	22,516,915,877
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	6,323,623,561	5,881,392,104	5,484,777,473	5,228,863,718	4,814,977,059
NET ELECTRIC UTILITY PLANT	$ 25,916,737,048	$ 24,128,372,187	$ 22,080,395,168	$ 19,787,210,464	$ 17,701,938,818
PLANT IN SERVICE BEGINNING OF YEAR	$ 19,713,569,110	$ 18,890,321,438	$ 17,111,691,679	$ 16,342,373,809	$ 15,595,445,873
ADDITIONS	1,047,879,593	1,108,248,726	1,901,798,171	857,886,761	906,112,367
RETIREMENTS	145,032,747	193,439,904	121,581,485	118,460,545	159,441,622
TRANSFERS AND ADJUSTMENTS	160,539,293-	91,561,126-	1,586,927-	29,891,653	257,193
PLANT IN SERVICE END OF YEAR	$ 20,455,876,662	$ 19,713,569,135	$ 18,890,321,437	$ 17,111,691,678	$ 16,342,373,811

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK
TABLE 4 COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ITEM	1986	1985	1984	1983	1982
GAS OPERATING REVENUES					
REVENUES					
RESIDENTIAL	$ 1,310,910,547	$ 1,270,798,753	$ 1,314,885,417	$ 1,297,991,434	$ 1,126,452,437
COMMERCIAL AND INDUSTRIAL	803,190,280	991,173,897	1,031,002,993	995,869,137	932,759,294
OTHER SALES TO PUBLIC AUTHORITIES	65,421,437	72,986,045	83,953,528	86,211,002	67,852,104
INTERDEPARTMENTAL	7,537,590	83,856,648	124,439,634	97,015,456	78,479,231
TOTAL REVENUES FROM ULTIMATE CONSUMERS	2,187,059,834	2,418,814,343	2,554,281,572	2,477,087,029	2,205,543,066
RESALE	16,970,788	21,623,995	22,226,016	18,673,356	19,525,398
TOTAL REVENUES FROM SALES OF GAS	2,204,030,622	2,440,438,338	2,576,487,588	2,495,760,385	2,225,068,464
OTHER GAS OPERATING REVENUES	24,291,034	35,872,517	30,972,025	25,886,799	24,064,492
TOTAL GAS OPERATING REVENUES	2,228,321,856	2,476,310,855	2,607,459,613	2,521,647,184	2,249,132,956
GAS SALES(MCF)					
RESIDENTIAL	180,202,784	172,006,995	179,060,511	169,737,930	180,750,372
COMMERCIAL AND INDUSTRIAL	143,605,193	173,975,353	176,071,522	162,181,551	179,741,941
OTHER SALES TO PUBLIC AUTHORITIES	12,043,910	12,371,171	13,946,037	13,625,259	12,872,727
INTERDEPARTMENTAL	1,384,877	19,552,316	27,135,691	22,199,137	18,823,246
TOTAL SALES TO ULTIMATE CONSUMERS	337,236,767	377,905,836	396,213,764	367,743,879	392,188,290
RESALE	4,337,637	5,379,936	5,274,439	4,126,372	4,939,787
TOTAL GAS SALES	341,574,404	383,285,772	401,488,203	371,870,251	397,128,077
NUMBER OF CUSTOMERS(AVERAGE PER MONTH)					
RESIDENTIAL	2,184,832	2,172,952	2,160,881	2,150,475	2,143,603
COMMERCIAL AND INDUSTRIAL	202,280	196,736	192,780	189,782	186,632
OTHER SALES TO PUBLIC AUTHORITIES	3,976	3,856	3,741	3,719	3,646
INTERDEPARTMENTAL	3	2	2	2	2
TOTAL ULTIMATE CONSUMERS	2,391,090	2,373,545	2,357,404	2,343,978	2,333,883
RESALE	5	5	5	5	6
TOTAL CUSTOMERS	2,391,095	2,373,550	2,357,409	2,343,983	2,333,889
GAS OPERATING REVENUE RELATIONSHIPS					
RESIDENTIAL SALES					
AVERAGE ANNUAL BILL PER CUSTOMER	$ 600.01	$ 584.83	$ 608.49	$ 603.58	$ 525.49
AVERAGE MCF CONSUMPTION PER CUSTOMER	82.5	79.2	82.9	78.9	84.3
AVERAGE REVENUE PER MCF SOLD	$ 7.27	$ 7.39	$ 7.34	$ 7.65	$ 6.23
COMMERCIAL AND INDUSTRIAL SALES					
AVERAGE ANNUAL BILL PER CUSTOMER	$ 3,970.89	$ 5,038.12	$ 5,348.08	$ 5,247.44	$ 4,997.85
AVERAGE MCF CONSUMPTION PER CUSTOMER	709.9	884.3	913.3	854.6	963.1
AVERAGE REVENUE PER MCF SOLD	$ 5.59	$ 5.70	$ 5.86	$ 6.14	$ 5.19
GAS OPERATION AND MAINTENANCE EXPENSES					
PRODUCTION EXPENSES					
MANUFACTURED GAS					
STEAM	$ 81,472	$ 144,399	$ 185,470	$ 215,919	$ 209,368
MANUFACTURED GAS	1,666,393	1,735,230	1,237,637	1,304,260	2,490,799
NATURAL GAS					
PRODUCTION AND GATHERING	42,535	48,045	78,121	86,610	86,305
OTHER GAS SUPPLY EXPENSES					
PURCHASED GAS	1,447,110,374	1,897,761,439	2,102,731,784	2,000,746,348	1,896,950,202
OTHER	212,538,070-	387,395,648-	487,561,723-	366,887,940-	452,858,543-
TOTAL PRODUCTION EXPENSES	1,236,362,704	1,512,333,466	1,616,651,269	1,635,465,197	1,446,878,131
NATURAL GAS STORAGE EXPENSES					
UNDERGROUND STORAGE EXPENSES	2,147	1,763,251	1,779,794	1,778,837	1,713,901
OTHER STORAGE EXPENSES	6,434,686	4,713,287	4,493,514	4,197,491	4,599,265
TOTAL NATURAL GAS STORAGE EXPENSES	6,436,833	6,476,538	6,273,308	5,976,328	6,313,166
TRANSMISSION EXPENSES	11,477,424	13,091,199	7,342,637	6,667,722	5,884,587
DISTRIBUTION EXPENSES	176,490,403	168,140,524	158,011,384	157,289,981	150,781,640
CUSTOMER ACCOUNTS EXPENSES	67,536,660	66,950,759	68,588,697	65,728,097	62,899,184
SALES EXPENSES	12,219,107	10,484,161	10,994,009	9,388,063	8,549,173
ADMINISTRATIVE AND GENERAL EXPENSES	129,119,035	106,256,470	139,925,131	112,294,367	102,523,681
TOTAL GAS OPERATION&MAINTENANCE EXPENSES	$ 1,639,642,166	$ 1,883,733,122	$ 2,007,786,443	$ 1,992,799,745	$ 1,783,829,562
GAS UTILITY PLANT*					
GAS UTILITY PLANT					
GAS PLANT IN SERVICE					
INTANGIBLE PLANT	$ 65,772	$ 65,772	$ 65,772	$ 65,772	$ 65,772
PRODUCTION PLANT					
MANUFACTURED GAS PLANT	16,496,284	14,783,551	13,411,723	13,257,766	12,995,549
NATURAL GAS PLANT	5,968,079	6,333,025	6,705,409	7,358,893	8,117,065
NATURAL GAS STORAGE PLANT					
UNDERGROUND STORAGE PLANT	-	-	-	-	-
OTHER STORAGE PLANT	49,593,539	48,181,582	47,880,076	47,839,548	47,459,232
TRANSMISSION PLANT	87,797,112	84,591,521	81,163,718	78,897,723	74,638,010
DISTRIBUTION PLANT	2,187,353,320	2,069,400,107	1,961,268,730	1,869,523,522	1,773,590,937
GENERAL PLANT	26,042,627	23,994,732	22,894,100	22,160,605	22,756,746
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
GAS PLANT STORED UNDERGROUND-NONCURR	1,993,381	1,993,381	1,993,381	1,993,381	1,993,381
TOTAL GAS PLANT IN SERVICE	2,375,300,114	2,249,343,671	2,135,382,969	2,041,097,210	1,941,615,682
PLANT LEASED TO OTHERS	23,619	-	-	-	-
PLANT HELD FOR FUTURE USE	3,688,224	47,252	43,917	43,917	41,088
CONSTRUCTION WORK IN PROGRESS	51,915,840	43,930,480	41,407,266	42,149,121	43,108,501
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
TOTAL GAS UTILITY PLANT	2,430,927,796	2,293,321,402	2,176,834,152	2,083,290,248	1,984,765,271
ACCUMULATED PROVISION FOR DEPR + AMORT	640,885,101	596,565,048	546,898,720	499,005,810	458,788,717
NET GAS UTILITY PLANT	$ 1,790,042,695	$ 1,696,756,354	$ 1,629,935,432	$ 1,584,284,438	$ 1,525,976,554
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,249,343,671	$ 2,135,382,969	$ 2,041,097,210	$ 1,941,615,682	$ 1,822,487,423
ADDITIONS	138,208,195	126,475,279	106,897,867	112,099,293	131,921,519
RETIREMENTS	12,057,867	11,712,484	12,395,014	12,171,802	11,991,703
TRANSFERS AND ADJUSTMENTS	193,895-	802,093-	217,094-	445,963-	801,567-
PLANT IN SERVICE END OF YEAR	$ 2,375,300,113	$ 2,249,343,670	$ 2,135,382,969	$ 2,041,097,210	$ 1,941,615,682

THIS TABLE INCLUDES GAS DATA FOR COMBINATION COMPANIES ONLY. SEE TABLE 11 FOR SIMILAR DATA ON STRAIGHT GAS COMPANIES

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
TABLE 5. DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS
YEARS ENDED DECEMBER 31

ITEM	1986	1985	1984	1983	1982
REVENUES - ULTIMATE CONSUMERS	$ 9,856,642,195	$ 9,812,666,800	$ 9,729,200,194	$ 9,154,612,599	$ 8,465,906,723
SALES-ULTIMATE CONSUMERS (000 KWH)	99,003,301	96,272,241	95,525,474	92,498,878	89,324,811
			DOLLAR AMOUNTS		
FUEL AND PURCHASED POWER	$ 2,504,814,388	$ 2,967,417,986	$ 3,290,746,303	$ 3,264,469,395	$ 3,188,499,179
WAGES AND BENEFITS	1,340,547,088	1,271,179,486	1,218,038,579	1,139,513,210	1,074,852,767
OTHER OPERATION AND MAINTENANCE EXPENSES	969,491,068	841,780,016	802,862,625	788,789,054	714,170,076
DEPRECIATION AND AMORTIZATION EXPENSES	647,401,944	621,977,713	547,465,116	514,884,206	492,225,297
INCOME TAXES - OPERATING	1,056,483,254	928,950,019	879,686,943	685,355,652	495,246,604
OTHER TAXES - OPERATING	1,568,222,522	1,505,065,414	1,450,201,951	1,347,230,567	1,202,660,236
*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	811,218,025	669,640,588	586,069,092	529,874,235	507,135,793
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	115,482,067	127,613,788	129,570,414	116,476,651	112,095,671
EARNINGS AVAILABLE FOR COMMON EQUITY	842,981,391	879,041,790	824,559,171	768,019,629	682,021,100
TOTAL	$ 9,856,642,195	$ 9,812,666,800	$ 9,729,200,194	$ 9,154,612,599	$ 8,465,906,723
			PERCENT OF REVENUES - ULTIMATE CONSUMERS		
FUEL AND PURCHASED POWER	25.4	30.2	33.8	35.7	37.6
WAGES AND BENEFITS	13.6	13.0	12.5	12.4	12.7
OTHER OPERATION AND MAINTENANCE EXPENSES	9.8	8.6	8.3	8.6	8.4
DEPRECIATION AND AMORTIZATION EXPENSES	6.6	6.3	5.6	5.6	5.8
INCOME TAXES - OPERATING	10.7	9.5	9.0	7.5	5.8
OTHER TAXES - OPERATING	15.9	15.3	14.9	14.7	14.2
*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	8.2	6.8	6.0	5.8	6.0
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.2	1.3	1.3	1.3	1.3
EARNINGS AVAILABLE FOR COMMON EQUITY	8.6	9.0	8.5	8.4	8.1
TOTAL	100.0	100.0	100.0	100.0	100.0
			CENTS PER KWH		
FUEL AND PURCHASED POWER	2.53	3.08	3.44	3.53	3.57
WAGES AND BENEFITS	1.35	1.32	1.28	1.23	1.20
OTHER OPERATION AND MAINTENANCE EXPENSES	0.98	0.87	0.84	0.85	0.80
DEPRECIATION AND AMORTIZATION EXPENSES	0.65	0.65	0.57	0.56	0.55
INCOME TAXES - OPERATING	1.07	0.96	0.92	0.74	0.55
OTHER TAXES - OPERATING	1.58	1.56	1.52	1.46	1.35
*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	0.82	0.70	0.61	0.57	0.57
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.12	0.13	0.14	0.13	0.13
EARNINGS AVAILABLE FOR COMMON EQUITY	0.85	0.91	0.86	0.83	0.76
TOTAL	9.96	10.19	10.18	9.90	9.48
* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	92.87	92.73	92.34	91.74	91.14

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK
TABLE 6. DISTRIBUTION OF GAS REVENUES
YEARS ENDED DECEMBER 31

ITEM	1986	1985	1984	1983	1982
REVENUES	$ 2,228,321,656	$ 2,476,310,855	$ 2,607,459,612	$ 2,521,647,184	$ 2,249,132,956
SALES (MCF)	341,574,404	383,285,772	401,488,203	371,870,251	397,128,077
			DOLLAR AMOUNTS		
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 1,234,572,304	$ 1,510,405,791	$ 1,615,170,041	$ 1,633,858,408	$ 1,444,091,859
WAGES AND BENEFITS	254,301,811	242,451,402	251,320,190	236,834,566	224,788,028
OTHER OPERATION AND MAINTENANCE EXPENSES	150,694,932	130,875,929	141,296,212	122,106,772	114,949,875
DEPRECIATION AND AMORTIZATION EXPENSES	69,413,082	72,511,441	68,873,854	61,891,367	59,230,912
INCOME TAXES - OPERATING	64,977,184	76,205,034	82,266,262	57,026,729	56,456,663
OTHER TAXES - OPERATING	256,483,202	257,360,592	250,672,970	234,163,037	208,624,257
*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	76,952,647	76,014,272	73,646,376	67,741,664	64,647,314
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	12,603,665	13,571,923	14,275,500	14,966,399	12,989,501
EARNINGS AVAILABLE FOR COMMON EQUITY	108,322,829	96,914,472	109,938,207	93,058,243	63,354,747
TOTAL	$ 2,228,321,656	$ 2,476,310,855	$ 2,607,459,612	$ 2,521,647,184	$ 2,249,132,956
			PERCENT OF REVENUES		
PURCHASED GAS & OTHER SUPPLY EXPENSE	55.4	61.0	61.9	64.8	64.2
WAGES AND BENEFITS	11.4	9.8	9.6	9.4	10.0
OTHER OPERATION AND MAINTENANCE EXPENSES	6.8	5.3	5.4	4.8	5.1
DEPRECIATION AND AMORTIZATION EXPENSES	3.1	2.9	2.6	2.5	2.6
INCOME TAXES - OPERATING	2.9	3.1	3.2	2.3	2.5
OTHER TAXES - OPERATING	11.5	10.4	9.6	9.3	9.3
*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	3.5	3.1	2.8	2.7	2.9
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.5	0.5	0.6	0.6
EARNINGS AVAILABLE FOR COMMON EQUITY	4.9	3.9	4.2	3.7	2.8
TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER MCF		
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.61	$ 3.94	$ 4.02	$ 4.39	$ 3.64
WAGES AND BENEFITS	0.74	0.63	0.63	0.64	0.57
OTHER OPERATION AND MAINTENANCE EXPENSES	0.44	0.34	0.35	0.33	0.29
DEPRECIATION AND AMORTIZATION EXPENSES	0.20	0.19	0.17	0.17	0.15
INCOME TAXES - OPERATING	0.19	0.20	0.20	0.15	0.14
OTHER TAXES - OPERATING	0.75	0.67	0.62	0.63	0.53
*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.23	0.20	0.18	0.18	0.16
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.04	0.04	0.04	0.04	0.03
EARNINGS AVAILABLE FOR COMMON EQUITY	0.32	0.25	0.27	0.25	0.16
TOTAL	$ 6.52	$ 6.46	$ 6.49	$ 6.78	$ 5.66
*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	6.41	6.52	6.82	7.35	7.86

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK
TABLE 7 STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ITEM	1986	1985	1984	1983	1982
FUNDS PROVIDED					
INTERNAL SOURCES:					
INCOME BEFORE EXTRAORDINARY ITEMS	$ 1,715,8 8,774	$ 1,915,780,578	$ 1,812,342,871	$ 1,572,483,678	$ 1,355,068,847
NON-CASH CHARGES (CREDITS) TO INCOME					
DEPRECIATION, DEPLETION, AND AMORTIZATION	784,931,410	781,723,190	671,123,587	647,503,908	609,268,020
DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	486,473,221	509,500,520	455,090,664	244,186,598	243,304,111
INTEREST CAPITALIZED	615,156,606-	739,204,440-	670,107,354-	564,156,170-	414,336,328-
OTHER (NET)	61,364,956	54,221,696	55,134,881	38,521,987	15,473,182
TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	2,432,441,755	2,522,021,544	2,323,584,649	1,938,540,001	1,808,777,833
EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
TOTAL FUNDS FROM INTERNAL SOURCES	2,432,441,755	2,522,021,544	2,323,584,649	1,938,540,001	1,808,777,833
LESS DIVIDENDS: PREFERRED	129,926,407	143,074,197	191,984,216	204,132,141	178,672,757
COMMON	855,859,715	803,370,096	728,151,739	822,185,511	707,256,767
NET FUNDS FROM INTERNAL SOURCES	1,446,655,633	1,575,577,251	1,403,448,694	912,222,349	922,848,309
EXTERNAL SOURCES:					
LONG TERM DEBT	2,434,295,609	1,744,268,610	1,162,657,451	1,240,163,613	980,480,519
PREFERRED STOCK	75,000,000	75,000,000	50,000,000	356,768,990	96,120,614
COMMON STOCK	90,994,521	315,218,931	372,413,549	508,747,966	633,461,464
NET INCREASE IN SHORT TERM DEBT	471,092,268	62,700,000	-	33,750,000	117,550,000
OTHER (NET)	53,633,231	59,823,279-	38,265,878-	178,590,669	152,710,074
TOTAL FUNDS FROM EXTERNAL SOURCES	3,125,015,629	2,137,364,262	1,546,805,122	2,318,021,238	1,980,322,671
OTHER SOURCES (NET)	621,438,006	177,458,580	320,184,750	100,789,942	137,823,117
TOTAL FUNDS PROVIDED	$ 5,193,109,268	$ 3,890,400,093	$ 3,270,438,566	$ 3,331,033,529	$ 3,040,994,097
FUNDS APPLIED					
CONSTRUCTION EXPENDITURES					
GROSS ADDITIONS					
ELECTRIC PLANT	$ 1,272,316,559	$ 1,020,060,809	$ 1,122,965,926	$ 1,160,216,875	$ 1,260,812,691
NUCLEAR PLANT	1,552,945,752	1,601,988,770	1,651,372,564	1,255,066,348	1,107,280,354
NUCLEAR FUEL	427,173,790-	156,873,357	69,316,154	70,372,912	68,493,339
GAS PLANT	155,174,616	125,965,305	123,370,797	118,075,503	129,281,928
LIQUEFIED NATURAL GAS PLANT	2,760,752	603,265	379,441	716,989	587,464
STEAM PLANT	9,848,322	8,033,493	8,743,018	7,991,762	6,990,886
NON-UTILITY PLANT	18,038	17,951	34,625	-	2,164
OTHER	73,838,064	38,314,182	25,153,229	221,816,963	202,620,728
TOTAL GROSS ADDITIONS	2,639,728,313	2,951,857,132	3,001,335,754	2,834,257,352	2,776,049,554
LESS INTEREST CAPITALIZED	615,156,606	739,204,440	670,107,354	564,156,170	414,336,328
TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	2,024,571,707	2,212,652,692	2,331,228,400	2,270,101,182	2,361,713,226
RETIREMENT OF DEBT AND SECURITIES					
LONG TERM DEBT	1,292,243,087	714,838,639	214,459,652	368,616,119	388,509,614
PREFERRED STOCK	118,893,697	49,639,723	57,586,007	31,916,370	35,163,372
REDEMPTION OF CAPITAL STOCK	109,830,318	289,337,811	-	-	-
NET DECREASE IN SHORT TERM DEBT	7,700,000	46,050,000	101,200,000	57,900,000	15,000,000
OTHER (NET)	634,091,959	28,000,000	-	-	-
TOTAL RETIREMENT OF DEBT AND SECURITIES	2,162,759,061	1,127,866,173	373,245,659	458,432,489	438,672,986
OTHER USES (NET)	1,005,778,500	549,881,228	565,964,507	602,499,858	240,607,885
TOTAL FUNDS APPLIED	$ 5,193,109,268	$ 3,890,400,093	$ 3,270,438,566	$ 3,331,033,529	$ 3,040,994,097

Straight Gas Companies

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK
TABLE 8. COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31

ITEM	1986	1985	1984	1983	1982
ASSETS AND OTHER DEBITS					
GAS UTILITY PLANT	$ 1,649,977,657	$ 1,545,583,874	$ 1,433,910,484	$ 1,340,147,994	$ 1,256,431,093
ACCUMULATED PROVISION FOR DEPR. AND AMORT.	394,247,267	365,883,311	336,993,501	310,236,707	286,829,793
NET GAS UTILITY PLANT	1,255,730,390	1,179,700,563	1,096,916,983	1,029,911,287	969,601,300
OTHER UTILITY PLANT	-	-	-	-	-
ACCUMULATED PROVISION FOR DEPR. AND AMORT.	-	-	-	-	-
NET OTHER UTILITY PLANT	-	-	-	-	-
TOTAL UTILITY PLANT	1,649,977,657	1,545,583,874	1,433,910,484	1,340,147,994	1,256,431,093
ACCUMULATED PROVISION FOR DEPR. AND AMORT.	394,247,267	365,883,311	336,993,501	310,236,707	286,829,793
NET TOTAL UTILITY PLANT	1,255,730,390	1,179,700,563	1,096,916,983	1,029,911,287	969,601,300
NONUTILITY PROPERTY LESS ACCUMULATED PROV FOR DEPRECIATION AND AMORTIZATION	1,599,737	1,495,115	1,751,946	1,255,509	1,139,492
INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
INVESTMENT IN SUBSIDIARY COMPANIES	23,642,608	36,747,423	34,622,932	33,255,238	26,946,559
OTHER INVESTMENTS	2,696,227	998,326	779,427	783,986	656,956
SPECIAL FUNDS	366,353	425	425	425	206,295
TOTAL OTHER PROPERTY AND INVESTMENTS	28,304,923	39,241,289	37,154,730	35,295,158	28,949,302
CASH	16,596,635	15,359,561	12,384,622	8,739,816	8,022,140
SPECIAL DEPOSITS	4,108,100	3,687,801	3,305,824	3,167,661	3,001,213
WORKING FUNDS	721,343	668,711	585,587	524,736	520,785
TEMPORARY CASH INVESTMENTS	34,740,782	26,203,606	2,087,396	1,561,367	-
NOTES AND ACCOUNTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	93,641,044	104,465,477	115,156,954	147,439,392	125,089,109
RECEIVABLES FROM ASSOCIATED COMPANIES	2,386,062	1,661,678	1,596,144	1,624,782	944,920
MATERIALS AND SUPPLIES	27,362,400	23,264,220	27,261,158	26,057,274	27,176,317
GAS STORED UNDERGROUND-CURRENT	9,113,468	3,936,873	3,682,098	3,749,012	2,634,001
LIQUEFIED NATURAL GAS IN STORAGE	6,199,023	6,191,923	5,682,831	4,923,790	4,421,286
PREPAYMENTS	87,236,208	110,982,139	107,902,691	109,746,873	126,750,285
OTHER CURRENT AND ACCRUED ASSETS	129,744,308	142,206,569	117,947,339	133,965,614	100,363,749
TOTAL CURRENT AND ACCRUED ASSETS	412,028,391	437,426,565	397,232,623	441,500,296	398,822,785
UNAMORTIZED DEBT EXPENSE	11,708,844	7,724,906	3,277,382	3,589,739	1,907,946
EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
PRELIMINARY SURVEY + INVESTIGATION CHARGES	1,833,163	330,236	342,332	111,173	378,944
CLEARING ACCOUNTS	613,384	822,996	806,410	340,306	673,019
DEFERRED LOSSES FROM DISP. OF UTILITY PLT	-	-	-	-	-
RESEARCH AND DEVELOPMENT	1,664,344-	1,446,931-	938,571-	273,305-	920,377
ACCUMULATED DEFERRED INCOME TAXES	2,439,981	1,992,979	3,767,279	3,091,560	1,534,148
OTHER DEFERRED DEBITS	60,557,112	60,669,193	46,724,556	83,986,360	101,879,826
TOTAL DEFERRED DEBITS	75,388,110	70,092,978	53,978,387	90,845,833	106,794,260
TOTAL ASSETS AND OTHER DEBITS	$ 1,771,451,814	$ 1,725,461,385	$ 1,585,282,703	$ 1,597,552,555	$ 1,504,167,647
LIABILITIES AND OTHER CREDITS					
COMMON STOCK ISSUED	$ 80,681,978	$ 80,323,391	$ 79,885,915	$ 79,418,002	$ 77,632,916
PREFERRED STOCK ISSUED	55,684,225	77,284,225	78,884,225	80,484,225	82,084,225
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
PREMIUM ON CAPITAL STOCK	142,061,410	126,213,982	109,338,987	95,881,104	57,212,171
OTHER PAID-IN CAPITAL	65,828,136	65,854,510	65,723,370	66,481,675	66,393,006
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
CAPITAL STOCK EXPENSE	12,723-	12,723-	12,723-	12,723-	12,723-
RETAINED EARNINGS	339,367,732	315,779,946	292,175,274	262,407,155	236,461,229
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	16,288,371-	1,939,325-	1,579,236-	2,371,933-	1,710,614-
REACQUIRED CAPITAL STOCK	417,226-	1,149,125-	1,725,700-	2,160,860-	1,061,860-
TOTAL PROPRIETARY CAPITAL	666,895,161	661,354,862	622,690,110	579,136,856	516,998,361
BONDS (LESS BONDS REACQUIRED)	349,109,761	338,443,260	266,091,300	245,417,322	240,635,000
ADVANCES FROM ASSOCIATED COMPANIES	194,154,173	156,201,314	162,246,821	187,390,528	152,806,168
OTHER LONG-TERM DEBT	1,544,865	3,477,187	3,955,496	3,958,047	4,456,903
NET UNAMORTIZED PREMIUM AND DISCOUNT	471,456-	958,754-	1,079,061-	1,250,416-	860,499-
TOTAL LONG-TERM DEBT	544,337,353	497,163,007	430,214,556	435,515,481	397,037,572
NOTES PAYABLE	3,597,000	700,000	47,654,286	75,001,796	93,400,863
ACCOUNTS PAYABLE	76,253,726	80,529,854	72,070,444	82,764,637	81,201,864
PAYABLES TO ASSOCIATED COMPANIES	177,056,275	197,915,306	127,781,238	141,700,394	193,554,471
CUSTOMER DEPOSITS	16,835,398	18,142,128	15,714,494	14,263,803	12,723,667
TAXES ACCRUED	36,497,992	18,887,781	23,865,882	33,283,963	9,843,810
INTEREST ACCRUED	9,735,158	10,719,866	9,492,346	8,836,717	9,323,784
DIVIDENDS DECLARED	14,046,286	13,860,660	11,716,286	10,269,614	8,872,566
TAX COLLECTIONS PAYABLE	7,604,171	7,375,024	7,601,936	8,119,730	7,136,747
OTHER CURRENT AND ACCRUED LIABILITIES	40,552,374	54,442,698	77,433,913	66,866,733	57,248,566
TOTAL CURRENT AND ACCRUED LIABILITIES	386,177,339	402,573,107	393,330,803	440,106,336	473,306,307
CUSTOMER ADVANCES FOR CONSTRUCTION	1,426,722	1,104,142	1,002,428	368,730	957,610
DEFERRED GAINS FROM DISP. OF UTILITY PLT	-	-	-	-	-
ACCUM. DEFERRED INVESTMENT TAX CREDITS	50,566,386	61,524,549	44,423,966	38,768,813	29,884,434
OTHER DEFERRED CREDITS	7,306,956	8,074,731	8,772,286	6,020,962	4,984,291
ACCUMULATED DEFERRED INCOME TAXES					
ACCELERATED AMORTIZATION	412,739	490,713	-	-	-
LIBERALIZED DEPRECIATION	81,919,076	66,919,131	56,085,074	44,131,082	34,267,556
OTHER	28,326,801	30,587,282	25,347,909	51,633,289	47,333,451
TOTAL DEFERRED CREDITS	169,957,679	160,700,548	135,631,320	139,922,866	117,027,341
PROPERTY INSURANCE RESERVE	-	-	-	-	-
INJURIES AND DAMAGES RESERVE	3,116,690	2,928,397	2,723,067	2,688,420	2,264,018
PENSIONS AND BENEFITS RESERVE	252,149	44,436	44,000	-	-
MISCELLANEOUS OPERATING RESERVE	715,443	697,028	648,847	582,797	534,049
TOTAL OPERATING RESERVES	4,084,282	3,669,861	3,415,914	3,271,217	2,798,067
TOTAL LIABILITIES AND OTHER CREDITS	$ 1,771,451,814	$ 1,725,461,385	$ 1,585,282,703	$ 1,597,552,555	$ 1,504,167,648

DOES NOT INCLUDE UTILITIES THAT PROVIDE BOTH ELECTRIC AND GAS SERVICE

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK
TABLE 9. COMPARATIVE INCOME STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

ITEM	1986	1985	1984	1983	1982
COMPARATIVE INCOME STATEMENTS					
GAS UTILITY OPERATING INCOME					
OPERATING REVENUES	$ 1,902,325,872	$ 2,061,055,631	$ 2,155,454,865	$ 2,129,460,050	$ 1,968,337,051
OPERATION AND MAINTENANCE EXPENSE	1,478,627,290	1,644,550,627	1,743,456,100	1,750,051,917	1,626,791,786
DEPRECIATION EXPENSE	41,168,504	38,573,633	36,202,815	33,593,333	30,411,089
AMORTIZATION	824,683	775,202	1,400,604	1,228,766	2,016,334
TAXES OTHER THAN INCOME TAXES-OPERATING	185,000,921	189,340,536	189,133,071	179,190,653	160,315,124
INCOME TAXES-OPERATING	57,262,750	54,623,821	52,327,584	41,522,249	36,294,294
GAINS/LOSSES FROM DISP. OF UTILITY PLT	-	-	-	-	-
TOTAL OPERATING EXPENSES	1,762,884,149	1,927,863,817	2,022,520,177	2,005,586,918	1,855,828,628
NET OPERATING REVENUES	139,441,723	133,191,814	132,934,688	123,873,132	112,508,423
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-
GAS UTILITY OPERATING INCOME	139,441,723	133,191,814	132,934,688	123,873,132	112,508,423
OTHER UTILITY OPERATING INCOME	-	-	-	-	-
TOTAL UTILITY OPERATING INCOME	139,441,723	133,191,814	132,934,688	123,873,132	112,508,423
OTHER INCOME					
INC. FROM MDSE, JOBBING, & CONTRACT WORK	26,093	4,837-	42,100	176,974-	216,444-
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-
NONOPERATING RENTAL INCOME	228,580	207,851	240,075	293,276	242,258
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	13,720,157-	231,199-	916,582	552,432-	442,575
INTEREST AND DIVIDEND INCOME	5,822,458	6,054,398	6,980,619	4,744,809	2,994,267
ALLOWANCE FOR CONSTRUCTION FUNDS	1,591,108	1,728,686	1,165,817	1,260,665	1,293,109
MISCELLANEOUS NONOPERATING INCOME	298,022	706,469	835,875	1,466,264	1,031,573
GAIN ON DISPOSITION OF PROPERTY	442,390	-	27,572	14,990	115
TOTAL OTHER INCOME	5,311,506-	8,461,368	10,208,640	7,050,598	5,787,453
TOTAL INCOME	134,130,217	141,653,182	143,143,328	130,923,730	118,295,876
INCOME DEDUCTIONS					
TAXES OTHER THAN INCOME TAXES-NONOP	289,879	217,091	414,454	315,455	65,462
INCOME TAXES-NONOPERATING	3,091,529-	225,755	1,202,818	731,874	155,522-
LOSS ON DISPOSITION OF PROPERTY	124,683	-	5,258	8,287	3,229
MISCELLANEOUS AMORTIZATION	-	-	-	6,135	-
MISCELLANEOUS INCOME DEDUCTIONS	2,832,745	2,305,327	1,635,455	988,906	910,523
TOTAL INCOME DEDUCTIONS	155,778	2,748,173	3,257,985	2,050,657	823,692
INCOME BEFORE INTEREST CHARGES	133,974,439	138,905,009	139,885,343	128,873,073	117,472,184
INTEREST CHARGES					
INTEREST ON LONG-TERM DEBT	33,180,878	28,730,677	25,949,140	23,975,727	24,044,565
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	786,278	504,728	497,457	473,729	421,735
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	30,019-	32,110-	32,412-	33,875-	35,975-
INTEREST ON DEBT TO ASSOCIATED COMPANIES	21,493,312	19,458,793	17,885,813	18,952,241	17,337,438
OTHER INTEREST EXPENSE	6,122,315	7,183,315	11,149,319	12,104,414	12,365,412
TOTAL INTEREST CHARGES	61,552,764	55,845,403	55,449,317	55,472,236	54,133,175
INCOME BEFORE EXTRAORDINARY ITEMS	72,421,675	83,059,606	84,436,026	73,400,837	63,339,009
EXTRAORDINARY ITEMS					
EXTRAORDINARY INCOME	-	-	-	-	-
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-
NET INCOME	$ 72,421,675	$ 83,059,606	$ 84,436,026	$ 73,400,837	$ 63,339,009
DIVIDENDS DECLARED-PREFERRED STOCK	$ 6,755,659	$ 7,862,306	$ 7,957,531	$ 8,059,042	$ 8,085,837
-COMMON STOCK	56,287,196	61,927,921	45,872,564	39,843,430	34,162,750
SELECTED BALANCE SHEET RELATIONSHIPS					
CURRENT ASSETS / BY CURRENT LIABILITIES	1.07	1.09	1.01	1.00	0.84
PERCENT OF CAPITALIZATION					
LONG-TERM DEBT	44.9	42.9	40.8	42.9	43.5
PREFERRED STOCK	4.5	6.6	7.4	7.9	9.0
COMMON STOCK AND OTHER PAID-IN CAPITAL	22.4	23.1	23.8	23.2	21.4
RETAINED EARNINGS	28.0	27.2	27.7	25.8	25.9
LONG-TERM DEBT % OF GROSS UTILITY PLANT	32.9	32.1	30.0	32.4	31.6
ACCUMULATED PROV FOR DEPR % OF UTILITY PLT	23.8	23.6	23.5	23.1	22.8
SELECTED INCOME ACCOUNT RELATIONSHIPS					
PERCENT OF GAS OPERATING REVENUES:					
GAS OPERATION AND MAINTENANCE	77.7	79.7	80.8	82.1	82.6
GAS DEPRECIATION AND AMORTIZATION	2.2	1.9	1.7	1.6	1.6
TOTAL INCOME TAXES-GAS, OPERATING	3.0	2.6	2.4	1.9	1.8
OTHER TAXES-GAS, OPERATING	9.7	9.1	8.7	8.4	8.1
TOTAL GAS OPERATING EXPENSE	92.6	93.5	93.8	94.1	94.2
GAS OPERATING INCOME	7.3	6.4	6.1	5.8	5.7
INTEREST EXPENSE					
PRETAX COVERAGE *	3.1	3.5	3.5	3.1	2.8
NET INCOME-PERCENT OF OPERATING REVENUES	3.8	4.0	3.9	3.4	3.2
DIVIDEND APPROPRIATIONS, COMMON STOCK					
PERCENT OF EARNINGS AVAILABLE FOR COMMON	85.7	69.0	59.9	60.9	61.8
PERCENT OF AVERAGE COMMON EQUITY					
EARNINGS AVAILABLE FOR COMMON STOCK	10.9	13.3	14.6	14.0	13.2

DOES NOT INCLUDE UTILITIES THAT PROVIDE BOTH ELECTRIC AND GAS SERVICE

*INCLUDES EFFECT OF TRUST OBLIGATIONS (LILCO)

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK
TABLE 10. STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ITEM	1986	1985	1984	1983	1982
FUNDS PROVIDED					
INTERNAL SOURCES:					
INCOME BEFORE EXTRAORDINARY ITEMS	$ 72,421,675	$ 83,059,606	$ 84,436,028	$ 77,400,838	$ 63,339,009
NON-CASH CHARGES(CREDITS) TO INCOME					
DEPRECIATION, DEPLETION, AND AMORTIZATION	45,233,242	41,791,228	39,206,469	35,813,071	33,154,424
DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	9,666,806	27,829,888	7,026,033-	19,900,277	41,999,200
INTEREST CAPITALIZED	1,571,433-	1,728,686-	1,165,817-	1,260,665-	1,293,109-
OTHER (NET)	305,985	258,892	36,000	460,581	99,800
TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	126,056,274	151,210,928	115,486,647	128,314,102	137,299,324
EXTRAORDINARY ITEM NET OF INCOME TAXES	-	-	-	-	-
TOTAL FUNDS FROM INTERNAL SOURCES	126,056,274	151,210,928	115,486,647	128,314,102	137,299,324
LESS DIVIDENDS: PREFERRED	6,755,659	7,862,306	7,957,531	8,059,042	8,085,837
COMMON	56,287,196	51,927,921	45,872,563	39,843,430	34,162,750
NET FUNDS FROM INTERNAL SOURCES	63,013,419	91,420,701	61,656,553	80,411,630	95,050,736
EXTERNAL SOURCES:					
LONG TERM DEBT	165,749,825	114,480,293	53,092,821	90,838,078	1,000,000
PREFERRED STOCK	-	-	-	-	-
COMMON STOCK	17,206,033	16,312,451	13,925,796	40,454,014	8,467,939
NET INCREASE IN SHORT TERM DEBT	9,364,999	61,860,000	12,100,000	620,000	125,315,000
OTHER (NET)	-	-	43,756,544	-	535,201
TOTAL FUNDS FROM EXTERNAL SOURCES	192,320,857	192,652,744	122,875,161	131,912,092	135,318,140
OTHER SOURCES (NET)	30,885,305	12,106,458	22,827,339	40,394,527	2,061,243
TOTAL FUNDS PROVIDED	$ 286,219,581	$ 296,179,903	$ 207,359,053	$ 252,718,249	$ 232,430,119
FUNDS APPLIED					
CONSTRUCTION EXPENDITURES					
GROSS ADDITIONS:					
GAS PLANT	$ 117,007,243	$ 115,660,190	$ 102,418,424	$ 93,784,653	$ 85,170,616
LIQUEFIED NATURAL GAS PLANT	3,686,611	8,134,644	3,865,632	838,620	233,462
NON-UTILITY PLANT	230,317	132,445-	188,238	185,356	147,903
OTHER	543,668	144,089	181,796	190,167	174,027
TOTAL GROSS ADDITIONS	121,467,839	123,806,478	106,654,090	94,998,796	85,726,008
LESS INTEREST CAPITALIZED	1,571,433	1,728,686	1,165,817	1,260,665	1,293,109
TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	119,896,406	122,077,792	105,488,273	93,738,131	84,432,899
RETIREMENT OF DEBT AND SECURITIES					
LONG TERM DEBT	119,062,776	94,593,081	31,932,592	31,958,414	10,765,397
PREFERRED STOCK	21,600,000	1,693,333	1,600,000	1,600,000	1,600,000
REDEMPTION OF CAPITAL STOCK	731,900-	576,575-	425,150-	911,000-	-
NET DECREASE IN SHORT TERM DEBT	-	-	57,250,000	103,650,863	294,869
OTHER (NET)	-	-	-	-	-
TOTAL RETIREMENT OF DEBT AND SECURITIES	139,930,876	95,709,839	90,357,442	136,298,277	12,660,266
OTHER USES (NET)	26,392,299	78,392,272	11,513,338	22,681,841	135,336,954
TOTAL FUNDS APPLIED	$ 286,219,581	$ 296,179,903	$ 207,359,053	$ 252,718,249	$ 232,430,119

THIS TABLE INCLUDES DATA FOR STRAIGHT GAS COMPANIES ONLY. SEE TABLE 7 FOR SIMILAR DATA ON COMBINATION COMPANIES

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK
TABLE 11 COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ITEM	1986	1985	1984	1983	1982
GAS OPERATING REVENUES					
REVENUES					
RESIDENTIAL	$ 1,330,981,349	$ 1,364,635,914	$ 1,418,829,922	$ 1,361,711,801	$ 1,230,958,620
COMMERCIAL AND INDUSTRIAL	495,659,025	598,383,793	644,642,864	675,264,099	659,738,886
OTHER SALES TO PUBLIC AUTHORITIES	37,442,178	42,381,714	44,537,304	38,435,612	30,185,507
INTERDEPARTMENTAL	-	-	-	-	-
TOTAL REVENUES FROM ULTIMATE CONSUMERS	1,864,082,552	2,005,401,421	2,108,010,090	2,075,411,512	1,920,883,013
RESALE	21,649,017	41,725,594	34,970,941	40,985,467	35,586,972
TOTAL REVENUES FROM SALES OF GAS	1,885,731,569	2,047,127,015	2,142,981,031	2,116,396,979	1,956,469,985
OTHER GAS OPERATING REVENUES	16,594,300	13,928,617	12,473,834	13,063,070	11,867,066
TOTAL GAS OPERATING REVENUES	$ 1,902,325,869	$ 2,061,055,632	$ 2,155,454,865	$ 2,129,460,050	$ 1,968,337,051
GAS SALES (MCF)					
RESIDENTIAL	177,522,376	172,775,666	180,443,448	173,173,711	185,082,034
COMMERCIAL AND INDUSTRIAL	94,578,868	104,525,075	109,808,188	111,084,383	126,295,237
OTHER SALES TO PUBLIC AUTHORITIES	6,704,858	6,465,729	6,583,046	5,774,629	4,664,705
INTERDEPARTMENTAL	-	-	-	-	-
TOTAL SALES TO ULTIMATE CONSUMERS	278,806,103	283,766,470	296,834,582	290,032,723	316,041,976
RESALE	5,126,515	10,619,912	8,132,726	9,212,463	8,065,038
TOTAL GAS SALES	283,932,618	294,386,382	304,967,408	299,245,186	324,107,014
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)					
RESIDENTIAL	1,782,326	1,775,354	1,766,879	1,757,883	1,754,976
COMMERCIAL AND INDUSTRIAL	83,481	81,750	80,754	79,930	79,671
OTHER SALES TO PUBLIC AUTHORITIES	3,032	2,995	2,933	2,815	2,592
INTERDEPARTMENTAL	-	-	-	-	-
TOTAL ULTIMATE CONSUMERS	1,868,839	1,860,109	1,850,566	1,840,628	1,837,239
RESALE	3	4	4	5	6
TOTAL CUSTOMERS	1,868,842	1,860,113	1,850,570	1,840,633	1,837,245
GAS OPERATING REVENUE RELATIONSHIPS					
RESIDENTIAL SALES					
AVERAGE ANNUAL BILL PER CUSTOMER	746.77	768.65	803.01	774.63	701.41
AVERAGE MCF CONSUMPTION PER CUSTOMER	99.6	97.3	102.1	98.5	105.5
AVERAGE REVENUE PER MCF SOLD	7.50	7.90	7.86	7.86	6.65
COMMERCIAL AND INDUSTRIAL SALES					
AVERAGE ANNUAL BILL PER CUSTOMER	5,937.39	7,319.68	7,982.80	8,448.19	8,280.79
AVERAGE MCF CONSUMPTION PER CUSTOMER	1,132.9	1,278.6	1,359.8	1,389.8	1,585.2
AVERAGE REVENUE PER MCF SOLD	5.24	5.72	5.87	6.08	5.22
GAS OPERATION AND MAINTENANCE EXPENSES					
PRODUCTION EXPENSES					
MANUFACTURED GAS					
STEAM	$ 1,120,814	$ 1,727,395	$ 1,683,111	$ 1,594,112	$ 1,314,356
MANUFACTURED GAS	8,387,239	9,257,893	9,821,624	12,154,403	10,956,559
NATURAL GAS					
PRODUCTION AND GATHERING	418,681	714,111	663,530	402,660	580,169
OTHER GAS SUPPLY EXPENSES					
PURCHASED GAS	1,079,532,397	1,279,993,810	1,389,309,559	1,421,541,647	1,317,924,535
OTHER	22,185,888	509,785-	253,535	1,425,424-	858,349-
TOTAL PRODUCTION EXPENSES	1,111,645,019	1,291,183,424	1,401,731,369	1,434,267,398	1,329,917,270
NATURAL GAS STORAGE EXPENSES					
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-
OTHER STORAGE EXPENSES	5,151,426	4,914,362	4,892,992	4,843,112	4,624,680
TOTAL NATURAL GAS STORAGE EXPENSES	5,151,426	4,914,362	4,892,992	4,843,112	4,624,680
TRANSMISSION EXPENSES	876,747	989,817	965,850	893,847	795,029
DISTRIBUTION EXPENSES	141,882,441	130,567,218	125,181,130	116,709,993	114,492,799
CUSTOMER ACCOUNTS EXPENSES	81,323,237	83,564,916	84,392,573	80,083,040	73,884,067
SALES EXPENSES	13,853,933	12,883,091	10,978,761	9,072,196	8,687,054
ADMINISTRATIVE AND GENERAL EXPENSES	123,894,487	120,447,799	115,313,434	104,182,331	94,390,887
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 1,478,627,290	$ 1,644,550,627	$ 1,743,456,100	$ 1,750,051,917	$ 1,626,791,786
GAS UTILITY PLANT*					
GAS UTILITY PLANT					
GAS PLANT IN SERVICE					
INTANGIBLE PLANT	$ 383,667	$ 375,432	$ 375,432	$ 375,432	$ 375,432
PRODUCTION PLANT					
MANUFACTURED GAS PLANT	56,246,943	55,513,052	54,656,523	54,272,175	54,030,744
NATURAL GAS PLANT	20,578,459	20,746,025	21,184,256	22,408,247	23,410,467
NATURAL GAS STORAGE PLANT					
UNDERGROUND STORAGE PLANT	-	-	-	-	-
OTHER STORAGE PLANT	58,811,837	53,033,207	48,378,802	46,880,971	46,297,109
TRANSMISSION PLANT	27,921,917	28,586,440	27,114,144	28,689,359	29,180,324
DISTRIBUTION PLANT	1,354,448,428	1,267,072,334	1,179,088,230	1,097,810,065	1,025,782,641
GENERAL PLANT	110,737,402	101,598,985	85,749,674	72,160,966	65,912,015
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-
GAS STORED UNDERGROUND-NONCURRENT	857,650	857,650	857,650	857,650	857,650
TOTAL GAS PLANT IN SERVICE	1,629,986,303	1,527,783,125	1,417,404,711	1,323,454,865	1,245,846,383
PLANT LEASED TO OTHERS	-	-	-	-	-
PLANT HELD FOR FUTURE USE	306,070	334,730	37,559	37,559	37,559
CONSTRUCTION WORK IN PROGRESS	19,685,283	17,466,020	16,468,215	16,655,570	10,547,151
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-
TOTAL GAS UTILITY PLANT	1,649,977,657	1,545,583,874	1,433,910,484	1,340,147,994	1,256,431,093
ACCUM PROVISION FOR DEPRECIATION & AMORT	394,247,267	365,883,311	336,993,501	310,236,707	286,829,793
NET GAS UTILITY PLANT	$ 1,255,730,390	$ 1,179,700,563	$ 1,096,916,983	$ 1,029,911,287	$ 969,601,300
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,527,783,125	$ 1,417,404,711	$ 1,323,454,865	$ 1,245,846,385	$ 1,170,512,104
ADDITIONS	106,637,458	116,553,790	101,173,580	85,119,459	86,853,059
RETIREMENTS	14,377,594	10,804,166	11,754,481	10,872,254	12,883,691
TRANSFERS AND ADJUSTMENTS	9,943,314	4,628,790	4,530,748	3,361,275	1,364,911
PLANT IN SERVICE END OF YEAR	$ 1,629,986,304	$ 1,527,783,124	$ 1,417,404,710	$ 1,323,454,865	$ 1,245,846,383

THIS TABLE INCLUDES DATA FOR STRAIGHT GAS COMPANIES ONLY. SEE TABLE 4 FOR GAS DATA ON COMBINATION COMPANIES.

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK
TABLE 12 DISTRIBUTION OF GAS REVENUES
YEARS ENDED DECEMBER 31

ITEM	1986	1985	1984	1983	1982
REVENUES	$ 1,902,325,872	$ 2,061,055,631	$ 2,155,454,865	$ 2,129,460,050	$ 1,968,337,051
SALES (MCF)	283,932,618	294,386,382	304,967,408	299,245,186	324,107,014
			DOLLAR AMOUNTS		
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 1,101,718,285	$ 1,279,484,025	$ 1,389,563,094	$ 1,420,116,223	$ 1,317,066,186
WAGES AND BENEFITS	214,388,053	215,815,935	210,551,554	192,621,733	183,327,580
OTHER OPERATION AND MAINTENANCE EXPENSES	162,520,952	149,250,667	143,341,452	137,313,961	126,398,020
DEPRECIATION AND AMORTIZATION EXPENSES	41,993,187	39,348,835	37,603,419	34,822,098	32,427,423
INCOME TAXES - OPERATING	57,262,750	54,623,821	52,327,584	41,522,249	36,294,294
OTHER TAXES - OPERATING	185,000,921	189,340,536	189,133,071	179,190,653	160,315,124
*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	61,300,849	55,559,745	55,227,516	54,997,177	53,547,365
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	6,642,072	7,712,305	7,848,547	7,979,521	8,003,300
EARNINGS AVAILABLE FOR COMMON EQUITY	71,498,804	69,919,764	69,858,625	60,896,434	50,957,758
TOTAL	$ 1,902,325,872	$ 2,061,055,631	$ 2,155,454,865	$ 2,129,460,050	$ 1,968,337,051
			PERCENT OF REVENUES		
PURCHASED GAS & OTHER SUPPLY EXPENSE	57.9	62.1	64.5	66.7	66.9
WAGES AND BENEFITS	11.3	10.5	9.8	9.0	9.3
OTHER OPERATION AND MAINTENANCE EXPENSES	8.5	7.2	6.7	6.4	6.4
DEPRECIATION AND AMORTIZATION EXPENSES	2.2	1.9	1.7	1.6	1.6
INCOME TAXES - OPERATING	3.0	2.7	2.4	1.9	1.8
OTHER TAXES - OPERATING	9.7	9.2	8.8	8.[illegible]	8.1
*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	3.2	2.7	2.6	2.6	2.7
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.3	0.4	0.4	0.4	0.4
EARNINGS AVAILABLE FOR COMMON EQUITY	3.8	3.4	3.2	2.9	2.6
TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER MCF		
PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.88	$ 4.35	$ 4.56	$ 4.75	$ 4.06
WAGES AND BENEFITS	0.76	0.73	0.69	0.64	0.57
OTHER OPERATION AND MAINTENANCE EXPENSES	0.57	0.51	0.47	0.46	0.39
DEPRECIATION AND AMORTIZATION EXPENSES	0.15	0.13	0.12	0.12	0.10
INCOME TAXES - OPERATING	0.20	0.19	0.17	0.14	0.11
OTHER TAXES - OPERATING	0.65	0.64	0.62	0.60	0.49
*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.22	0.19	0.18	0.18	0.17
*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.02	0.03	0.03	0.03	0.02
EARNINGS AVAILABLE FOR COMMON EQUITY	0.25	0.24	0.23	0.20	0.16
TOTAL	$ 6.70	$ 7.00	$ 7.07	$ 7.12	$ 6.07

*THIS IS A STRAIGHT GAS COMPANY. THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

Telephone Companies

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 13. COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ITEM	1986	1985	1984	1983	1982
ASSETS AND OTHER DEBITS					
TELEPHONE PLANT	$ 18,411,258,188	$ 17,515,426,376	$ 16,508,214,055	$ 16,385,309,003	$ 15,691,905,449
ACCUMULATED PROVISION FOR DEPR+AMORT	5,203,421,075	4,732,890,160	4,210,723,184	3,686,943,019	3,384,047,252
NET TELEPHONE PLANT	13,207,837,112	12,782,536,216	12,297,490,870	12,698,365,983	12,307,858,197
INVESTMENTS IN AFFILIATED COMPANIES	217,255,695	132,607,210	104,650,649	96,598,469	99,141,821
ADVANCES TO AFFILIATED COMPANIES	6,538,402	2,350,162	1,600,000	2,179,281	4,833,070
MISCELLANEOUS PHYSICAL PROPERTY	20,879,381	19,476,752	24,845,867	11,552,891	10,519,987
OTHER INVESTMENTS AND FUNDS	5,609,136	5,226,954	5,484,027	5,715,055	6,522,213
TOTAL INVESTMENTS AND FUNDS	250,282,614	159,656,078	136,580,543	116,045,696	121,017,091
CASH AND WORKING FUNDS	77,460,385	85,017,997	77,563,544	65,869,492	68,885,049
SPECIAL CASH DEPOSITS	4,835,762	25,733,025	24,517,553	31,156,538	9,044,963
TEMPORARY CASH INVESTMENTS	46,714,454	20,141,633	33,242,767	26,959,797	68,403,070
NOTES+ACCTS REC FROM AFFILIATED CO'S	151,283,598	18,665,425	36,646,772	44,935,373	17,666,062
OTHER NOTES AND ACCOUNTS RECEIVABLE	374,235,644	718,124,393	627,874,565	49,051,170	48,927,113
DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	1,554,140,344	1,246,447,559	1,098,282,952	1,096,653,352	1,064,274,226
MATERIALS AND SUPPLIES*	101,115,941	78,608,623	63,155,238	79,684,303	69,414,624
PREPAYMENTS	57,015,269	54,047,620	44,756,573	123,437,102	114,485,844
OTHER CURRENT AND ACCRUED ASSETS	3,046,096	8,163,773	4,126,492	2,717,421	3,369,667
TOTAL CURRENT AND ACCRUED ASSETS	2,369,847,478	2,254,950,049	2,010,166,457	1,520,464,549	1,444,470,618
UNAMORTIZED DEBT DISCOUNT AND EXPENSE	211,402,228	84,095,507	86,881,601	45,107,857	38,776,663
EXTRAORDINARY MAINTENANCE+RETIREMENTS	11,889	23,109	124,161	58,578	47,508
RESEARCH AND DEVELOPMENT	-	-	-	-	1,660
OTHER DEFERRED DEBITS	516,449,952	511,267,144	387,702,049	293,823,742	162,720,394
TOTAL DEFERRED DEBITS	727,864,069	595,385,760	474,707,811	338,990,177	201,546,225
TOTAL ASSETS AND OTHER DEBITS	16,555,831,278	$ 15,792,528,105	$ 14,918,945,682	$ 14,673,866,406	$ 14,074,892,132
LIABILITIES AND OTHER CREDITS					
COMMON CAPITAL STOCK	$ 4,043,655,240	$ 4,043,455,143	$ 4,012,556,070	$ 4,564,505,373	$ 4,560,409,748
PREFERRED CAPITAL STOCK	31,179,970	31,944,120	32,315,520	32,800,520	34,530,620
STOCK LIABILITY FOR CONVERSION	100	250	250	250	250
PREMIUM ON CAPITAL STOCK	261,505,646	100,328,418	100,254,664	59,874,338	59,183,442
CAPITAL STOCK SUBSCRIBED	42,600	42,600	42,600	42,600	
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	
OTHER PAID-IN CAPITAL	37,990,474	37,624,024	37,626,629	34,121,524	27,216,064
CAPITAL STOCK EXPENSE	112,401-	119,254-	128,712-	86,920-	57,918-
RETAINED EARNINGS	2,030,166,890	1,724,545,319	1,568,544,501	1,257,123,816	1,236,000,907
TOTAL PROPRIETARY CAPITAL	6,404,428,521	5,937,820,619	5,752,211,522	5,948,381,501	5,917,283,113
BONDS (LESS BONDS REACQUIRED)	4,172,049,007	4,024,315,817	4,129,903,995	4,090,382,123	3,937,247,500
ADVANCES FROM AFFILIATED COMPANIES	202,047,845	237,375,000	188,850,000	415,975,021	187,891,531
OTHER LONG-TERM DEBT	31,321,272	46,015,150	31,592,443	11,924,704	12,017,796
TOTAL LONG-TERM DEBT	4,405,418,124	4,307,705,967	4,350,346,438	4,518,281,848	4,137,156,827
NOTES+ACCTS PAY TO AFFILIATED CO'S	372,898,565	376,475,407	392,680,465	137,306,226	129,712,482
OTHER NOTES AND ACCOUNTS PAYABLE	1,184,055,761	1,259,909,732	944,594,215	714,058,958	861,604,618
CUSTOMERS DEPOSITS	44,421,132	45,233,513	65,096,540	66,908,984	63,030,595
ADVANCE BILLING AND PAYMENTS	132,122,433	129,264,963	123,107,952	146,669,800	179,070,441
TAXES ACCRUED	311,144,491	259,130,889	242,386,668	95,544,167	123,797,313
OTHER CURRENT AND ACCRUED LIABILITIES	287,832,762	274,927,517	124,790,539	142,840,482	131,831,278
TOTAL CURRENT AND ACCRUED LIABILITIES	2,332,470,064	2,344,942,022	1,892,656,382	1,303,328,619	1,489,046,727
UNAMORTIZED PREMIUM ON DEBT	1,426,926	1,535,445	1,644,036	1,752,654	1,861,504
ACCUM. DEFERRED INVESTMENT TAX CREDITS	649,630,893	650,465,176	625,087,731	648,212,673	606,551,354
OTHER DEFERRED CREDITS	60,512,332	64,171,276	69,266,982	106,637,641	61,121,006
TOTAL DEFERRED CREDITS	711,570,151	716,171,897	695,998,749	756,602,968	669,532,864
OPERATING RESERVES	9,821,326	11,002,198	7,783,831	12,577,577	12,511,481
ACCUMULATED DEFERRED INCOME TAXES	2,692,117,090	2,474,885,399	2,219,948,759	2,134,693,893	1,849,360,120
TOTAL LIABILITIES AND OTHER CREDITS	$ 16,555,831,278	$ 15,792,528,105	$ 14,918,945,681	$ 14,673,866,406	$ 14,074,892,132
SELECTED BALANCE SHEET RELATIONSHIPS					
CURRENT ASSETS/CURRENT LIABILITIES	1.02	0.96	1.06	1.17	0.97
PERCENT OF CAPITALIZATION					
LONG TERM DEBT	40.7	42.0	43.0	43.1	41.1
PREFERRED STOCK	0.2	0.3	0.3	0.3	0.3
COMMON STOCK+OTHER PAID-IN CAPITAL	40.1	40.8	41.0	44.5	46.2
RETAINED EARNINGS	18.7	16.8	15.5	12.0	12.2
LONG-TERM DEBT					
PERCENT OF GROSS TELEPHONE PLANT	22.9	24.5	26.3	27.5	26.2
ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	28.2	27.0	25.5	22.5	21.5

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 14 COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1986	1985	1984	1983	1982
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS					
TELEPHONE OPERATING INCOME					
OPERATING REVENUES	$ 9,426,562,482	$ 9,045,115,603	$ 8,652,689,113	$ 7,511,087,512	$ 7,129,052,445
OPERATION AND MAINTENANCE EXPENSE	5,231,451,677	5,220,885,344	5,030,038,340	3,961,068,762	3,893,464,465
EXTRAORDINARY RETIREMENTS	5,637	5,637	5,637	5,637	6,849
DEPRECIATION	1,125,777,865	998,260,681	901,559,197	907,020,826	832,558,182
AMORTIZATION	170,345	170,345	170,345	170,345	170,345
TAXES OTHER THAN INCOME TAXES-OPERATING	1,057,619,211	1,008,723,822	1,128,626,530	1,060,399,739	902,517,018
INCOME TAXES-OPERATING	343,125,523	335,229,316	163,082,581	141,045,790	137,524,812
OPERATING INCOME TAXES DEFERRED	445,432,433	418,293,822	407,425,737	378,259,679	338,546,195
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	135,772,585-	90,551,970-	74,382,545-	39,948,568-	24,265,308-
TOTAL OPERATING EXPENSES	8,067,810,107	7,889,017,000	7,556,525,825	6,408,022,211	6,080,522,558
TOTAL TELEPHONE OPERATING INCOME	1,358,752,375	1,156,098,603	1,096,163,288	1,103,065,301	1,048,529,887
OTHER INCOME					
DIVIDEND INCOME	25,332,256	14,017,013	9,339,433	8,834,714	9,161,133
INTEREST INCOME	26,097,203	10,756,430	14,533,148	17,433,587	19,439,489
ALLOWANCE FOR CONSTRUCTION FUNDS	49,572,359	51,755,432	46,099,914	41,543,226	44,276,331
INCOME FROM SINKING AND OTHER FUNDS	60,818	65,968	60,818	58,223	45,739
INCOME FROM MISC. PHYSICAL PROPERTY	705,138	203,820	2,140,774	723,725-	1,263,313-
MISCELLANEOUS INCOME	14,365,678	7,998,720	25,572,760	1,128,403	4,963,975
TOTAL OTHER INCOME	116,133,453	84,797,383	97,746,848	68,274,429	76,623,354
TOTAL INCOME	1,474,885,828	1,240,895,986	1,193,910,136	1,171,339,730	1,125,153,241
INCOME DEDUCTIONS					
TAXES OTHER THAN INC. TAXES-NONOPERATING	990,046	1,672,151	3,383,314	2,552,255	3,172,983
INCOME TAXES-NONOPERATING	7,552,784	1,294,730	12,450,434	445,811	2,174,220
MISCELLANEOUS INCOME CHARGES	16,394,412	12,097,583	11,073,241	13,486,080	11,116,451
TOTAL INCOME DEDUCTIONS	24,937,242	15,064,464	26,906,989	16,484,146	16,463,654
INCOME BEFORE INTEREST CHARGES	1,449,948,587	1,225,831,522	1,167,003,147	1,154,855,584	1,108,689,587
INTEREST CHARGES					
INTEREST ON LONG-TERM DEBT	333,985,672	341,504,557	351,414,864	341,496,613	332,485,839
AMORT. OF DEBT DISCOUNT AND EXPENSE	5,294,368	2,688,421	1,763,572	1,603,746	1,466,898
AMORT. OF PREMIUM ON DEBT-CREDIT	108,445-	108,474-	108,420-	108,583-	142,970-
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-
OTHER INTEREST EXPENSE	50,433,079	53,539,334	53,683,352	90,781,573	87,535,183
TOTAL INTEREST CHARGES	389,604,675	397,623,838	406,753,368	433,773,349	421,344,949
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	1,060,343,911	828,207,683	760,249,778	721,082,234	687,344,638
EXTRAORDINARY/DELAYED ITEMS					
EXTRAORDINARY/DELAYED INCOME CREDITS	3,376,552	2,672,173	3,937,268	1,637,797	2,782,921
EXTRAORDINARY/DELAYED INCOME CHARGES	1,207,954-	2,626,801-	7,843,580-	38,000,060-	393,747-
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	1,195,774	2,907,106-	11,476,639-	7,049,576-	1,164,017
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	1,121,953	2,952,478	7,570,327	29,312,686-	1,225,157
NET INCOME	$ 1,061,465,866	$ 831,160,161	$ 767,820,105	$ 691,769,548	$ 688,569,795
RETAINED EARNINGS					
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 1,725,064,663	$ 1,568,645,225	$ 1,430,262,264	$ 1,231,236,105	$ 1,162,638,185
BALANCE TRANSFERRED FROM INCOME	1,061,465,867	831,160,161	767,820,105	691,769,548	688,569,796
MISCELLANEOUS CREDITS	-	3,330	24,534	-	782,982
MISCELLANEOUS DEBITS	12,974	4,335,603	11,696,100	81,251	1,723,261
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-
DIVIDENDS DECLARED-PREFERRED STOCK	1,882,019	1,926,157	1,958,070	2,025,511	2,103,807
-COMMON STOCK	754,468,646	669,001,632	615,908,230	663,775,076	612,162,990
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,030,166,891	1,724,545,319	1,568,544,504	1,257,123,816	1,236,000,905
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,030,166,890	$ 1,724,545,319	$ 1,568,544,501	$ 1,257,123,816	$ 1,236,000,907
SELECTED INCOME ACCOUNT RELATIONSHIPS					
PERCENT OF TELEPHONE OPERATING REVENUES					
OPERATION AND MAINTENANCE EXPENSE	55.4	57.7	58.1	52.7	54.6
EXTRAORDINARY RETIREMENTS	-	-	-	-	-
DEPRECIATION AND AMORTIZATION	11.9	11.0	10.4	12.0	11.6
TOTAL INCOME TAXES-OPERATING	6.9	7.3	5.7	6.4	6.3
OTHER TAXES-OPERATING	11.2	11.1	13.0	14.1	12.6
TOTAL OPERATING EXPENSES	85.5	87.2	87.3	85.3	85.2
OPERATING INCOME	14.4	12.7	12.5	14.6	14.7
INTEREST EXPENSE					
PRETAX COVERAGE	5.4	4.7	4.1	3.8	3.7
NET INCOME-PERCENT OF OPERATING REVENUES	11.2	9.1	8.8	9.2	9.6
DIVIDEND APPROPRIATIONS, COMMON STOCK					
PERCENT OF EARNINGS AVAILABLE	71.2	80.6	80.4	96.2	89.1
PERCENT OF AVERAGE COMMON EQUITY					
EARNINGS AVAILABLE FOR COMMON STOCK	17.2	14.2	13.1	11.6	11.5

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 15 STATEMENT OF CHANGES IN FINANCIAL POSITION
YEARS ENDED DECEMBER 31

NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
	INCOME BEFORE EXTRAORDINARY ITEMS	$ 1,060,338,876	$ 828,222,334	$ 760,227,511	$ 721,028,008	$ 687,344,639
	NON-CASH CHARGES (CREDITS) TO INCOME					
	DEPRECIATION AND AMORTIZATION	1,132,739,949	1,001,742,586	903,828,041	909,180,688	855,340,266
	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	217,6 2,724	281,102,490	291,356,466	328,385,967	333,673,882
	INTEREST CAPITALIZED	49,572,362-	51,755,432-	46,099,914-	41,535,850-	44,196,970-
	OTHER (NET)	3,703,607	3,864,388	2,807,941	1,875,668	419,109
	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	2,364,852,795	2,063,176,367	1,912,120,045	1,918,934,482	1,832,580,926
	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	1,126,989	2,967,572	7,634,438	29,258,460-	1,229,388
	TOTAL FUNDS FROM INTERNAL SOURCES	2,365,979,784	2,066,143,939	1,919,754,483	1,889,676,022	1,833,810,314
	LESS DIVIDENDS PREFERRED	1,882,019	1,926,159	1,958,069	2,025,511	2,103,807
	COMMON	754,468,648	669,001,632	615,888,229	663,775,076	612,162,990
	NET FUNDS FROM INTERNAL SOURCES	1,609,629,117	1,395,216,148	1,301,908,185	1,223,875,435	1,219,543,517
	EXTERNAL SOURCES					
	LONG TERM DEBT	160,744,602	65,833,131	63,680,792	391,838,157	95,196,332
	PREFERRED STOCK	-	-	46,390	-	-
	COMMON STOCK	199,097	29,352,886	56,000,692	11,016,179	210,427,229
	NET INCREASE IN SHORT TERM DEBT	11,958,192	8,412,405	2,285,889	13,729,196	213,048,652
	OTHER (NET)	160,121,367	60,134	43,640,345	15,275	879,910
	TOTAL FUNDS FROM EXTERNAL SOURCES	333,023,258	103,658,556	165,654,108	416,598,807	519,552,123
	OTHER SOURCES (NET)	44,505,771	312,508,991	288,905,590	109,930,350	23,354,722
	TOTAL FUNDS PROVIDED	$ 1,987,158,146	$ 1,811,383,695	$ 1,756,467,884	$ 1,750,404,592	$ 1,762,450,362
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
	TELEPHONE PLANT	$ 1,573,651,388	$ 1,503,931,655	$ 1,370,235,698	$ 1,334,715,845	$ 1,443,367,914
	NON-UTILITY PLANT	650,259	371,385	48,632	116,203	95,406
	OTHER	6,212	40,996	5,274-	44,334	21,590
	TOTAL GROSS ADDITIONS	1,574,307,859	1,504,344,036	1,370,279,056	1,334,876,382	1,443,484,910
	LESS INTEREST CAPITALIZED	49,572,362	51,755,432	46,099,914	41,535,850	44,196,970
	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,524,735,497	1,452,588,604	1,324,179,142	1,293,340,532	1,399,287,940
	RETIREMENT OF DEBT AND SECURITIES					
	LONG TERM DEBT	63,484,533	108,379,907	63,269,360	8,100,129	133,963,918
	PREFERRED STOCK	761,400	357,200	482,200	1,801,676	545,200
	REDEMPTION OF CAPITAL STOCK	900	8,200	18,450	18,400	200
	NET DECREASE IN SHORT TERM DEBT	2,278,628	32,351,559	238,552,838	340,551,980	4,002,433
	OTHER (NET)	98,397	243,191	575,592	35,600	1,319,988
	TOTAL RETIREMENT OF DEBT AND SECURITIES	66,623,858	141,330,355	302,898,440	350,507,785	139,831,739
	OTHER USES (NET)	395,798,790	217,464,737	129,390,301	106,556,275	223,330,683
	TOTAL FUNDS APPLIED	$ 1,987,158,146	$ 1,811,383,695	$ 1,756,467,883	$ 1,750,404,592	$ 1,762,450,362

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 16 COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ITEM	1986	1985	1984	1983	1982
TELEPHONE OPERATING REVENUES					
OPERATING REVENUES					
LOCAL REVENUES	$ 4,594,461,289	$ 4,298,076,362	$ 4,039,503,629	$ 4,287,209,447	$ 4,123,699,591
ACCESS REVENUES	2,238,961,577	1,892,041,110			
TOLL REVENUCS	2,158,715,523	2,351,270,368	2,581,343,474	3,071,608,603	2,861,056,534
MISCELLANEOUS REVENUES	522,792,164	554,560,600	2,115,655,700	241,969,614	213,901,232
UNCOLLECTIBLE REVENUES-DR	88,369,144	50,832,365	83,813,692	89,700,153	69,604,912
TOTAL TELEPHONE OPERATING REVENUE	$ 9,426,561,411	$ 9,045,116,075	$ 8,652,689,112	$ 7,511,087,513	$ 7,129,052,445
TELEPHONE ACCESS LINES IN SERVICE	9,911,951	9,722,031	9,384,370	9,208,319	9,047,040
TELEPHONE OPERATING REVENUE RELATIONSHIPS					
REVENUE PER AVERAGE ACCESS LINE*					
LOCAL REVENUE	$ 468.01	$ 449.91	$ 434.53	$ 469.69	$ 456.14
ACCESS REVENUE	228.07	203.53			
TOLL REVENUE	219.90	246.12	277.67	336.52	316.48
*YEAR END AVERAGE					
TELEPHONE OPERATION AND MAINTENANCE EXPENSES					
OPERATION AND MAINTENANCE EXPENSES					
MAINTENANCE EXPENSES	$ 1,698,081,229	$ 1,643,559,852	$ 1,619,705,380	$ 1,753,384,082	$ 1,643,469,312
DEPRECIATION + AMORTIZATION EXPENSES	1,125,953,847	998,436,664	901,735,179	907,196,808	832,735,376
TRAFFIC EXPENSES	324,935,646	299,624,229	296,726,113	296,083,796	315,663,956
COMMERCIAL EXPENSES	799,665,497	777,209,492	820,064,884	696,165,580	743,137,187
ACCESS EXPENSES	836,961,290	971,259,303	-	-	-
GENERAL OFFICE SALARIES AND EXPENSES	626,746,628	546,147,050	504,552,074	474,780,890	426,908,962
OTHER OPERATING EXPENSES	945,054,902	983,076,715	1,789,998,326	740,658,364	764,275,627
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 6,357,399,045	$ 6,219,313,305	$ 5,931,771,959	$ 4,868,269,521	$ 4,726,190,423
TELEPHONE UTILITY PLANT					
TELEPHONE UTILITY PLANT					
PLANT IN SERVICE	$ 17,848,069,405	$ 16,953,961,244	$ 15,960,857,988	$ 15,951,712,237	$ 15,227,327,042
PLANT UNDER CONSTRUCTION	560,859,686	558,733,204	542,903,774	430,247,775	451,558,918
PROPERTY HELD FOR FUTURE USE	618,325	841,422	2,407,430	1,099,015	565,156
PLANT ACQUISITION ADJUSTMENTS	893,509	1,073,243	1,211,172	1,410,807	1,580,852
PLANT ADJUSTMENTS	817,263	817,263	833,691	839,168	873,481
TOTAL TELEPHONE UTILITY PLANT	18,411,258,188	17,515,426,376	16,508,214,065	16,385,309,003	15,691,905,449
ACCUMULATED PROVISION FOR DEPR+AMORT	5,203,421,075	4,732,890,160	4,210,723,184	3,686,943,019	3,384,047,252
NET TELEPHONE PLANT	$ 13,207,837,112	$ 12,782,536,216	$ 12,297,490,870	$ 12,698,365,983	$ 12,307,858,197
PLANT IN SERVICE BEGINNING OF YEAR	$ 16,954,006,914	$ 15,960,857,992	$ 14,996,155,885	$ 15,218,136,893	$ 14,279,142,999
ADDITIONS	1,582,207,032	1,492,072,993	1,243,798,790	1,365,766,770	1,455,793,370
RETIREMENTS	668,139,981	495,729,358	341,461,724	632,247,821	507,479,590
TRANSFERS AND ADJUSTMENTS	20,004,563-	3,240,381-	62,365,038	56,394	129,738-
PLANT IN SERVICE END OF YEAR	$ 17,848,069,404	$ 16,953,961,246	$ 15,960,857,989	$ 15,951,712,236	$ 15,227,327,042

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 17 DISTRIBUTION OF TELEPHONE REVENUES
YEARS ENDED DECEMBER 31

ITEM	1986	1985	1984	1983	1982
REVENUES	$ 9,426,562,482	$ 9,045,115,603	$ 8,652,689,113	$ 7,511,087,512	$ 7,129,052,445
ACCESS LINES (AVERAGE*)	9,816,991	9,553,201	9,296,345	9,127,680	9,040,336
			DOLLAR AMOUNTS		
WAGES AND BENEFITS	$ 2,397,236,036	$ 2,244,098,416	$ 2,496,862,130	$ 2,787,463,428	$ 2,724,418,531
OTHER OPERATION AND MAINTENANCE EXPENSES	2,834,215,642	2,976,786,931	2,533,176,210	1,173,605,333	1,169,045,931
DEPRECIATION AND AMORTIZATION EXPENSES	1,125,948,210	998,431,027	901,729,542	907,191,171	832,728,527
EXTRAORDINARY RETIREMENTS	5,637	5,637	5,637	5,637	6,849
INCOME TAXES - OPERATING	652,785,371	662,971,168	496,125,773	479,356,901	451,805,699
OTHER TAXES - OPERATING	1,057,619,211	1,006,723,822	1,128,626,530	1,060,399,739	902,517,018
INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	376,493,012	380,933,867	391,170,141	419,764,225	406,097,764
PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1,832,035	1,873,251	1,922,687	1,987,630	2,058,511
EARNINGS AVAILABLE FOR COMMON EQUITY	980,427,328	773,291,485	703,070,460	681,313,446	640,373,612
TOTAL	$ 9,426,562,482	$ 9,045,115,603	$ 8,652,689,113	$ 7,511,087,512	$ 7,129,052,445
			PERCENT OF REVENUES		
WAGES AND BENEFITS	25.4	24.8	28.9	37.1	38.2
OTHER OPERATION AND MAINTENANCE EXPENSES	30.1	32.9	29.3	15.6	16.4
DEPRECIATION AND AMORTIZATION EXPENSES	11.9	11.0	10.4	12.1	11.7
EXTRAORDINARY RETIREMENTS	-	-	-	-	-
INCOME TAXES - OPERATING	6.9	7.3	5.7	6.4	6.3
OTHER TAXES - OPERATING	11.2	11.1	13.0	14.1	12.7
INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.0	4.2	4.5	5.6	5.7
PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
EARNINGS AVAILABLE FOR COMMON EQUITY	10.4	8.5	8.1	9.1	9.0
TOTAL	100.0	100.0	100.0	100.0	100.0
		DOLLARS PER AVERAGE ACCESS LINE PER MONTH			
WAGES AND BENEFITS	$ 20.35	$ 19.58	$ 22.38	$ 25.45	$ 25.11
OTHER OPERATION AND MAINTENANCE EXPENSES	24.06	25.97	22.71	10.71	10.78
DEPRECIATION AND AMORTIZATION EXPENSES	9.56	8.71	8.08	8.28	7.68
EXTRAORDINARY RETIREMENTS	-	-	-	-	-
INCOME TAXES - OPERATING	5.54	5.78	4.45	4.38	4.16
OTHER TAXES - OPERATING	8.98	8.78	10.12	9.68	8.32
INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.20	3.32	3.51	3.83	3.74
PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.02	0.02	0.02	0.02	0.02
EARNINGS AVAILABLE FOR COMMON EQUITY	8.32	6.75	6.30	6.22	5.90
TOTAL	$ 80.02	$ 78.90	$ 77.56	$ 68.57	$ 65.72

* YEAR END AVERAGE

Water Companies

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 18 COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ITEM	1986	1985	1984	1983	1982
ASSETS AND OTHER DEBITS					
WATER PLANT	$ 323,629,046	$ 306,493,336	$ 289,796,120	$ 271,013,112	$ 257,877,119
ACCUMULATED PROVISION FOR DEPRE+AMORT	75,997,949	73,534,469	69,799,893	66,609,110	63,563,097
NET WATER PLANT	247,631,096	232,958,866	219,996,225	204,404,001	194,314,021
OTHER PHYSICAL PROPERTY	314,571	314,608	314,648	314,688	314,728
INVESTMENTS IN ASSOCIATED COMPANIES	20,877,352	21,213,384	19,962,989	18,938,024	19,156,591
OTHER INVESTMENTS AND FUNDS	21,707	9,132	4,786	7,939	-
TOTAL INVESTMENT AND FUND ACCOUNTS	21,132,630	21,537,124	20,282,423	19,260,651	19,471,319
CASH AND WORKING FUNDS	7,210,311	5,925,953	6,313,890	1,666,191	2,037,258
SPECIAL DEPOSITS	4,290,596	5,374,897	2,865,389	60,710	181,023
TEMPORARY CASH INVESTMENTS	3,975,000	100	400,100	100	100
NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	14,698,235	13,648,619	14,783,554	14,059,402	12,319,439
RECEIVABLES FROM ASSOCIATED COMPANIES	3,460,416	2,861,445	2,625,088	4,535,941	2,752,585
MATERIALS AND SUPPLIES	2,612,087	2,664,121	2,384,637	2,185,014	1,992,097
PREPAYMENTS	4,465,634	3,790,107	3,116,129	3,126,819	2,819,546
OTHER CURRENT AND ACCRUED ASSETS	7,731,665	6,457,770	5,946,240	5,411,491	5,134,980
TOTAL CURRENT AND ACCRUED ASSETS	48,443,945	40,723,014	38,425,031	31,045,669	27,237,029
UNAMORTIZED DEBT EXPENSE	2,253,683	2,424,389	2,575,467	2,263,110	1,982,026
EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
PRELIM SURVEY + INVESTIGATION CHARGES	39,611	85,511	131,603	26,691	21,593
CLEARING ACCOUNTS	7,258	66,141	37,919	31,302	30,855
ACCUMULATED DEFERRED INCOME TAXES	10,456	-	10,456	9,581	9,581
OTHER DEFERRED DEBITS	2,614,842	2,134,469	2,734,945	2,734,381	3,339,096
TOTAL DEFERRED DEBITS	4,925,850	4,710,510	5,490,390	5,065,065	5,383,152
TOTAL ASSETS AND OTHER DEBITS	$ 322,133,522	$ 299,929,515	$ 284,194,073	$ 259,775,389	$ 246,405,522
LIABILITIES AND OTHER CREDITS					
COMMON CAPITAL STOCK	$ 34,462,429	$ 34,740,329	$ 34,740,329	$ 34,740,329	$ 33,784,709
PREFERRED CAPITAL STOCK	10,817,130	11,586,820	12,137,710	12,488,600	12,783,890
STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
PREMIUM ON CAPITAL STOCK	2,605,966	2,322,052	2,322,052	2,322,052	2,322,052
CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
OTHER PAID-IN CAPITAL	14,952,014	12,913,462	12,913,462	11,462,008	11,648,912
CAPITAL STOCK EXPENSE	438,802-	439,584-	440,366-	440,951-	429,810-
RETAINED EARNINGS	95,031,910	86,886,671	79,345,033	69,494,937	60,831,906
REACQUIRED CAPITAL STOCK	-	-	-	-	1,267,742-
TOTAL PROPRIETARY CAPITAL	157,430,647	148,009,755	141,018,221	130,066,975	119,673,917
BONDS (LESS BONDS REACQUIRED)	62,706,375	66,421,500	66,532,500	65,112,268	62,660,023
ADVANCES FROM ASSOCIATED COMPANIES	1,363,492	6,419,503	1,388,100	1,379,318	1,371,477
OTHER LONG TERM DEBT	20,493,469	21,331,224	19,015,100	13,425,515	10,682,888
NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	22,957-	23,938-	24,918-	-	-
TOTAL LONG TERM DEBT	84,540,379	94,148,290	86,910,783	79,917,102	74,714,388
NOTES AND ACCOUNTS PAYABLE	9,014,816	7,862,543	8,361,933	9,462,341	11,670,561
PAYABLES TO ASSOCIATED COMPANIES	15,846,928	4,639,032	11,978,588	11,440,650	13,098,179
CUSTOMERS' DEPOSITS	1,101,781	1,038,134	964,493	957,555	938,300
TAXES ACCRUED	4,866,591	7,174,958	2,898,785	2,677,453	3,223,849
OTHER CURRENT AND ACCRUED LIABILITIES	13,083,364	8,554,659	7,949,943	6,323,775	6,199,197
TOTAL CURRENT AND ACCRUED LIABILITIES	43,913,482	29,269,329	32,153,744	30,861,777	35,130,087
CUSTOMER ADVANCES FOR CONSTRUCTION	12,969,861	9,301,816	7,616,273	6,452,407	6,093,917
ACCUM. DEFERRED INVESTMENT TAX CREDITS	7,072,944	7,022,107	5,411,777	3,469,187	2,258,960
OTHER DEFERRED CREDITS	5,290,761	4,068,309	4,392,538	3,596,103	3,738,530
ACCUMULATED DEFERRED INCOME TAXES					
ACCELERATED AMORTIZATION	238,914	250,761	256,914	265,914	274,914
LIBERALIZED DEPRECIATION	7,773,227	5,552,080	3,938,976	2,640,084	1,791,034
OTHER	1,495,617	890,990	1,085,965	853,278	967,825
TOTAL DEFERRED CREDITS	34,841,324	27,086,062	22,702,443	17,275,974	15,125,181
OPERATING RESERVES	1,407,689	1,416,078	1,408,878	1,653,559	1,761,949
TOTAL LIABILITIES AND OTHER CREDITS	$ 322,133,522	$ 299,929,515	$ 284,194,073	$ 259,775,389	$ 246,405,522

SELECTED BALANCE SHEET RELATIONSHIPS

CURRENT ASSETS / CURRENT LIABILITIES	1.10	1.39	1.20	1.01	0.78
PERCENT OF CAPITALIZATION					
LONG TERM DEBT	34.9	38.8	38.1	38.0	38.4
PREFERRED STOCK	4.4	4.7	5.3	5.9	6.5
COMMON STOCK + OTHER PAID-IN CAPITAL	21.3	20.4	21.7	22.8	23.6
RETAINED EARNINGS	39.2	35.8	34.8	33.0	31.2
LONG-TERM DEBT PERCENT OF GROSS WATER PLANT	26.1	30.7	29.9	29.4	28.9
ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	23.4	23.9	24.0	24.5	24.6

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 19 COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1986	1985	1984	1983	1982
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT					
WATER OPERATING INCOME					
OPERATING REVENUES	$ 135,610,695 $	127,991,831 $	123,083,099 $	113,491,626 $	103,620,715
OPERATION AND MAINTENANCE EXPENSES	60,438,813	55,436,787	52,098,932	48,030,241	44,740,381
DEPRECIATION	5,307,552	4,964,201	4,375,316	4,105,146	3,896,356
AMORTIZATION	54,313	25,091	25,825	21,813	10,738
TAXES OTHER THAN INCOME TAXES	32,483,514	33,330,893	33,247,335	31,470,971	27,089,720
INCOME TAXES	10,394,797	8,958,836	8,604,647	6,726,667	6,556,618
GAINS FROM DISP. OF UTILITY PLANT					
LOSSES FROM DISP. OF UTILITY PLANT					
TOTAL OPERATING EXPENSES	108,676,990	102,715,812	98,350,058	90,354,840	82,293,816
NET OPERATING REVENUES	26,933,705	25,276,018	24,733,039	23,136,784	21,326,898
INCOME FROM PLANT LEASED TO OTHERS	421	-	400	4,725	4,059
TOTAL WATER OPERATING INCOME	26,934,126	25,276,018	24,733,439	23,141,509	21,330,957
OTHER INCOME					
INCOME FROM MDSE. JOBBING-CONTRACT WORK	131,287	81,881	1,541	23,427	43,864
INCOME FROM NONUTILITY OPERATIONS	484,749-	810,009-	677,081-	670,853-	1,494,154-
NONOPERATING RENTAL INCOME	55,823	54,544	51,887	49,834	66,500
INTEREST AND DIVIDEND INCOME	407,854	340,071	507,140	98,052	122,419
ALLOWANCE FOR CONSTRUCTION FUNDS	652,467	631,203	872,958	377,613	242,891
MISCELLANEOUS NONOPERATING INCOME	653,785	1,494,417	1,534,877	1,519,767	1,582,787
GAIN ON DISPOSITION OF PROPERTY	2,855	190	253	1,616	125
TOTAL OTHER INCOME	1,419,304	1,792,299	2,291,575	1,399,456	564,432
TOTAL INCOME	28,353,430	27,068,317	27,025,014	24,540,965	21,895,389
OTHER INCOME DEDUCTIONS					
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-
MISCELLANEOUS AMORTIZATION	54,817	54,817	10,545	10,141	9,757
MISCELLANEOUS DEDUCTIONS	47,812	24,334	81,352	174,644	49,683
TAXES OTHER THAN INC TAXES-NONOPERATING	21,308	21,212	19,450	41,892	48,788
INCOME TAXES-NONOPERATING	385,159	344,933	78,288-	173,101-	7,874-
TOTAL OTHER INCOME DEDUCTIONS	509,096	445,296	33,059	53,576	100,354
INCOME BEFORE INTEREST CHARGES	27,844,334	26,623,021	26,991,955	24,487,389	21,795,035
INTEREST CHARGES					
INTEREST ON LONG-TERM DEBT	8,133,792	8,547,489	7,240,928	6,986,543	6,710,126
AMORT OF DEBT DISCOUNT EXPENSE	199,097	245,702	229,953	229,387	163,327
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-
INTEREST ON DEBT TO ASSOCIATED COMPANIES	2,133,472	2,282,101	2,503,688	2,147,497	1,759,921
OTHER INTEREST CHARGES	179,115	162,958	650,993	879,612	1,886,353
TOTAL INTEREST CHARGES	10,645,476	11,238,253	10,625,562	10,243,041	10,519,728
EXTRAORDINARY ITEMS					
EXTRAORDINARY INCOME	19,837	-	1,560	-	711,264
EXTRAORDINARY DEDUCTIONS	217,682-	-	-	-	-
INCOME TAXES EXTRAORDINARY ITEMS	-	-	-	-	-
NET EXTRAORDINARY ITEMS	197,845-	-	1,560	-	711,264
NET INCOME	$ 17,001,013 $	15,384,769 $	16,367,954 $	14,244,349 $	11,986,572
RETAINED EARNINGS					
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR$	85,969,708 $	79,345,033 $	69,494,937 $	60,855,388 $	54,243,835
BALANCE TRANSFERRED FROM INCOME	17,008,513	15,384,769	16,367,955	14,244,349	11,986,572
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-
DIVIDENDS DECLARED-PREFERRED STOCK	1,114,048	1,111,955	1,175,141	1,123,535	1,122,638
-COMMON STOCK	6,844,839	6,735,595	5,339,562	4,300,240	4,283,402
ADJUSTMENTS TO RETAINED EARNINGS	12,575	4,418	3,156-	181,026-	31,024
UNAPPROPRIATED RETAINED EARNINGS END OF YR	95,031,910	86,886,671	79,345,033	69,494,937	60,855,392
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-
TOTAL RETAINED EARNINGS, END OF YEAR	$ 95,031,910 $	86,886,671 $	79,345,033 $	69,494,937 $	60,855,392
SELECTED INCOME ACCOUNT RELATIONSHIPS					
PERCENT OF WATER OPERATING REVENUES					
OPERATION AND MAINTENANCE EXPENSES	44.5	43.3	42.3	42.3	43.1
DEPRECIATION AND AMORTIZATION	3.9	3.8	3.5	3.6	3.7
INCOME TAXES	7.6	6.9	6.9	5.9	6.3
OTHER TAXES	23.9	26.0	27.0	27.7	26.1
TOTAL OPERATING EXPENSES	80.1	80.2	79.9	79.6	79.4
OPERATING INCOME	19.8	19.7	20.0	20.3	20.5
INTEREST EXPENSE					
PRETAX COVERAGE	3.6	3.2	3.3	3.0	2.7
NET INCOME - % OF OPERATING REVENUES	12.5	12.0	13.2	12.5	11.6
DIVIDEND APPROPRIATIONS COMMON STOCK					
PERCENT OF EARNINGS AVAILABLE FOR COMMON	43.0	47.1	35.1	32.7	39.4
PERCENT OF AVERAGE COMMON EQUITY					
EARNINGS AVAILABLE FOR COMMON EQUITY	11.2	10.7	12.3	11.6	10.4

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 20 STATEMENT OF CHANGES IN FINANCIAL POSITION
YEARS ENDED DECEMBER 31

ITEM	1986	1985	1984	1983	1982
FUNDS PROVIDED					
INTERNAL SOURCES					
INCOME BEFORE EXTRAORDINARY ITEMS	$ 17,395,149	$ 15,384,769	$ 16,366,395	$ 14,244,349	$ 11,289,941
NON CASH CHARGES (CREDITS) TO INCOME					
DEPRECIATION, DEPLETION AND AMORTIZATION	6,391,358	6,655,398	5,471,043	5,461,468	4,866,963
DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	2,812,582	2,992,091	3,288,931	1,803,713	2,533,222
INTEREST CAPITALIZED	570,205-	628,730-	872,958-	377,613-	241,881-
OTHER (NET)	69,806-	299,100	918,660	266,833	159,195
TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	25,959,078	24,702,629	25,172,071	21,398,753	18,607,442
EXTRAORDINARY ITEMS NET OF INCOME TAXES	197,845-	-	1,560	169,052-	-
TOTAL FUNDS FROM INTERNAL SOURCES	25,761,233	24,702,629	25,173,631	21,229,701	18,607,442
LESS DIVIDENDS: PREFERRED	1,114,048	1,111,955	1,175,141	1,144,429	1,122,638
COMMON	6,844,839	6,735,595	5,339,562	4,279,345	4,283,402
NET FUNDS FROM INTERNAL SOURCES	17,802,346	16,855,079	18,658,928	15,805,926	13,201,402
EXTERNAL SOURCES					
LONG TERM DEBT	925,875	9,305,877	6,225,000	591,958	6,957,251
PREFERRED STOCK	-	-	-	1,000,000	-
COMMON STOCK	-	-	-	1,015,917	19,726
NET INCREASE IN SHORT TERM DEBT	2,517,799	109,550	7,255,431	5,562,744	950,000
OTHER (NET)	7,378,745	914,109	2,973,379	3,501,481	9,230,294
TOTAL FUNDS FROM EXTERNAL SOURCES	10,822,419	10,329,537	16,453,810	11,672,101	17,157,271
OTHER SOURCES (NET)	8,752,383	6,740,732	1,374,402	772,467	1,463,300
TOTAL FUNDS PROVIDED	$ 37,377,148	$ 33,925,349	$ 36,487,141	$ 28,250,494	$ 31,821,974
FUNDS APPLIED					
CONSTRUCTION EXPENDITURES					
GROSS ADDITIONS					
WATER PLANT	$ 21,694,613	$ 18,302,478	$ 20,198,808	$ 14,450,606	$ 11,102,926
NON-UTILITY PLANT	-	-	-	-	374
OTHER	12,424	-	-	-	-
TOTAL GROSS ADDITIONS	21,707,037	18,302,478	20,198,808	14,450,606	11,103,300
LESS INTEREST CAPITALIZED	570,205	628,730	872,958	377,613	241,881
TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	21,136,832	17,673,748	19,325,850	14,072,993	10,861,419
RETIREMENT OF DEBT AND SECURITIES					
LONG TERM DEBT	8,924,310	2,072,479	4,453,873	3,180,431	5,544,597
PREFERRED STOCK	769,690	550,890	350,890	250,890	132,090
REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
NET DECREASE IN SHORT TERM DEBT	1,509,000	5,562,527	1,750,000	3,347,000	8,939,391
OTHER (NET)	7,807	2,684,613	2,922,639	957,949	1,425,993
TOTAL RETIREMENT OF DEBT AND SECURITIES	11,210,807	10,870,509	9,477,402	7,736,270	16,042,071
OTHER USES (NET)	5,029,509	5,381,092	7,683,889	6,441,229	4,918,483
TOTAL FUNDS APPLIED	$ 37,377,148	$ 33,925,349	$ 36,487,141	$ 28,250,494	$ 31,821,974

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 21 COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

WATER OPERATING REVENUES

ITEM	1986	1985	1984	1983	1982
REVENUES					
METERED SALES TO GENERAL CUSTOMERS	$ 112,313,487	$ 101,161,454	$ 93,881,372	$ 83,547,934	$ 73,795,948
UNMETERED SALES TO GENERAL CUSTOMERS	5,597,267	11,073,915	14,571,507	16,690,110	17,199,762
SALES TO OTHER WATER COMPANIES	213,599	159,186	157,088	129,856	120,948
OTHER SALES OF WATER	16,653,540	14,679,295	13,605,459	12,364,382	11,813,813
TOTAL REVENUES FROM SALES OF WATER	134,777,894	127,073,853	122,215,428	112,732,285	102,930,473
OTHER WATER OPERATING REVENUES	832,801	917,979	867,671	759,341	690,152
TOTAL WATER OPERATING REVENUES	$ 135,610,695	$ 127,991,832	$ 123,083,099	$ 113,491,626	$ 103,620,625
WATER SALES (T GALLONS)					
METERED SALES TO GENERAL CUSTOMERS	50,841,717	46,458,818	44,969,103	42,613,928	39,788,957
UNMETERED SALES TO GENERAL CUSTOMERS	4,534,618	7,858,125	11,313,060	15,427,366	17,783,168
SALES TO OTHER WATER COMPANIES	193,655	148,064	151,142	129,085	130,607
OTHER SALES OF WATER	204,959	195,330	190,864	206,888	195,142
TOTAL SALES OF WATER	55,774,949	54,660,337	56,624,169	58,377,267	57,897,874
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)					
METERED SALES TO GENERAL CUSTOMERS	327,141	309,101	283,231	263,713	256,970
UNMETERED SALES TO GENERAL CUSTOMERS	23,391	39,840	62,774	80,682	86,174
SALES TO OTHER WATER COMPANIES	5	5	4	4	4
OTHER SALES OF WATER	3,235	3,154	2,906	3,195	3,123
TOTAL CUSTOMERS	353,772	352,100	348,915	347,594	346,271
WATER OPERATING REVENUE RELATIONSHIPS					
METERED GENERAL CUSTOMERS					
AVG. ANNUAL BILL PER CUSTOMER	$ 343.31	$ 327.27	$ 331.46	$ 316.81	$ 287.17
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	155.41	150.30	158.77	161.59	154.83
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	220.91	217.74	208.77	196.06	185.47
UNMETERED GENERAL CUSTOMERS					
AVG. ANNUAL BILL PER CUSTOMER	$ 239.29	$ 277.95	$ 232.12	$ 206.86	$ 199.59
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	193.86	197.24	180.21	191.21	206.36
AVG. REVENUE PER T. GALLONS SOLD(CENTS)	123.43	140.92	128.80	108.19	96.72

WATER OPERATION AND MAINTENANCE E[illegible]S

ITEM	1986	1985	1984	1983	1982
SOURCE OF SUPPLY EXPENSES	$ 3,619,592	$ 3,356,605	$ 3,613,419	$ 3,522,637	$ 3,003,863
POWER AND PUMPING EXPENSES	13,017,362	13,826,931	14,056,529	13,930,256	13,161,932
PURIFICATION EXPENSES	4,221,673	3,703,414	3,360,238	3,199,045	3,116,072
TRANSMISSION AND DISTRIBUTION EXPENSES	13,625,804	11,743,016	10,230,292	8,880,169	7,917,519
CUSTOMERS ACCT G+COLLECTING EXPENSES.	8,108,629	7,827,774	6,416,707	5,833,764	5,478,038
ADMINISTRATIVE+GENERAL EXPENSES	17,843,752	14,979,047	14,419,748	12,662,370	12,062,954
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 60,436,813	$ 55,436,788	$ 52,096,934	$ 48,030,241	$ 44,740,381

WATER UTILITY PLANT

ITEM	1986	1985	1984	1983	1982
WATER UTILITY PLANT					
PLANT IN SERVICE	$ 312,189,183	$ 298,294,625	$ 281,841,716	$ 262,085,890	$ 250,337,902
PLANT LEASED TO OTHERS	-	7,004	-	-	-
CONSTRUCTION WORK IN PROGRESS	10,274,618	6,969,426	6,477,216	7,440,502	6,038,556
PLANT HELD FOR FUTURE USE	217,176	220,176	239,512	239,286	238,221
PLANT ACQUISITION ADJUSTMENTS	1,439,929	1,493,965	1,547,996	1,557,755	1,567,510
OTHER PLANT ADJUSTMENTS	-	-	-	-	-
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	491,861-	491,861-	310,321-	310,321-	305,071-
TOTAL WATER UTILITY PLANT	323,629,046	306,493,336	289,796,119	271,013,112	257,877,119
ACCUM PROV FOR DEPR. AMORT. DEPLETION	75,997,949	73,534,469	69,799,893	66,609,110	63,563,096
NET WATER UTILITY PLANT	$ 247,631,096	$ 232,958,866	$ 219,996,225	$ 204,404,002	$ 194,314,021
PLANT IN SERVICE BEGINNING OF YEAR	$ 295,290,080	$ 281,841,714	$ 262,085,891	$ 250,337,902	$ 242,192,156
ADDITIONS	19,303,531	18,818,050	21,303,967	13,147,865	9,393,390
RETIREMENTS	2,144,351	1,281,775	1,192,037	1,164,365	881,424
TRANSFERS AND ADJUSTMENTS	260,064-	1,083,367-	356,105-	235,511-	366,221-
PLANT IN SERVICE END OF YEAR	$ 312,189,196	$ 298,294,624	$ 281,841,716	$ 262,085,891	$ 250,337,902

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK
TABLE 22. DISTRIBUTION OF WATER REVENUES
YEARS ENDED DECEMBER 31

ITEM	1986	1985	1984	1983	1982
REVENUES	$ 135,610,695	$ 127,991,831	$ 123,083,099	$ 113,491,626	$ 103,620,715
SALES (THOUSAND GALLONS)	55,774,949	54,660,337	56,624,169	58,377,267	57,897,874
DOLLAR AMOUNTS					
WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 11,757,511	$ 12,674,471	$ 13,853,849	$ 14,069,405	$ 13,512,576
WAGES AND BENEFITS	23,256,113	21,749,076	20,025,712	18,102,306	12,563,472
OTHER OPERATION AND MAINTENANCE EXPENSES	25,422,768	21,013,241	18,216,973	15,853,805	18,660,274
DEPRECIATION AND AMORTIZATION EXPENSES	5,361,865	4,989,292	4,401,141	4,126,958	3,907,094
INCOME TAXES - OPERATING	10,394,797	8,958,836	8,604,647	6,726,667	6,556,618
OTHER TAXES - OPERATING	32,483,514	33,330,893	33,247,335	31,470,971	27,089,720
INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	10,360,331	10,960,576	10,195,527	10,073,768	10,427,374
PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	760,132	1,081,474	1,120,185	1,087,868	1,092,080
EARNINGS AVAILABLE FOR COMMON EQUITY	15,813,663	13,234,018	13,417,727	11,980,073	9,811,503
TOTAL	$ 135,610,695	$ 127,991,831	$ 123,083,099	$ 113,491,626	$ 103,620,715
PERCENT OF REVENUES					
WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICAL FOR TREATMENT	8.7	9.9	11.3	12.4	13.0
WAGES AND BENEFITS	17.1	17.0	16.3	16.0	12.1
OTHER OPERATION AND MAINTENANCE EXPENSES	18.7	16.4	14.8	14.0	18.0
DEPRECIATION AND AMORTIZATION EXPENSES	4.0	3.9	3.6	3.6	3.8
INCOME TAXES - OPERATING	7.7	7.0	7.0	5.9	6.3
OTHER TAXES - OPERATING	24.0	26.0	27.0	27.7	26.1
INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.6	8.6	8.3	8.9	10.1
PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.8	0.9	1.0	1.1
EARNINGS AVAILABLE FOR COMMON EQUITY	11.7	10.3	10.9	10.6	9.5
TOTAL	100.0	100.0	100.0	100.0	100.0
CENTS PER THOUSAND GALLONS SOLD					
WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	21.08	23.19	24.47	24.10	23.34
WAGES AND BENEFITS	41.70	39.79	35.37	31.01	21.70
OTHER OPERATION AND MAINTENANCE EXPENSES	45.58	38.44	32.17	27.16	32.23
DEPRECIATION AND AMORTIZATION EXPENSES	9.61	9.13	7.77	7.07	6.75
INCOME TAXES - OPERATING	18.64	16.39	15.20	11.52	11.32
OTHER TAXES - OPERATING	58.24	60.98	58.72	53.91	46.79
INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	18.58	20.05	18.01	17.26	18.01
PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.36	1.98	1.98	1.86	1.89
EARNINGS AVAILABLE FOR COMMON EQUITY	28.35	24.21	23.70	20.52	16.95
TOTAL	243.14	234.15	217.37	194.41	178.97

SECTION I.

ELECTRIC SERVICE COMPANIES

Balance Sheets

Income Statements

Statements of Changes in Financial Position

Statements of Revenue, Plant, and Operation and Maintenance

Distribution of Electric Revenues

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS, YEARS ENDED DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

LINE NO.	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 1,074,583,770	$ 944,031,368	$ 826,121,066	$ 723,788,736	$ 654,915,091
2	ACCUM. PROVISION FOR DEPR. AND AMORT	212,601,068	202,685,118	190,723,311	178,216,917	166,916,145
3	NET ELECTRIC UTILITY PLANT	861,982,702	741,346,250	635,397,755	545,571,819	487,998,946
4	OTHER UTILITY PLANT	117,911,931	109,736,366	102,669,887	97,001,773	92,198,364
5	ACCUM. PROVISION FOR DEPR. AND AMORT	40,566,439	38,193,088	34,560,531	31,808,244	29,216,507
6	NET OTHER UTILITY PLANT	77,345,492	71,543,278	68,109,356	65,193,529	62,981,857
7	TOTAL UTILITY PLANT	1,192,495,701	1,053,767,734	928,790,953	820,790,509	747,113,455
8	ACCUM. PROVISION FOR DEPR. AND AMORT	253,167,507	240,878,206	225,283,842	210,025,161	196,132,652
9	NET TOTAL UTILITY PLANT	939,328,194	812,889,528	703,507,111	610,765,348	550,980,803
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	968,859	1,409,005	565,496	565,496	565,496
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	2,990,239	2,153,523	2,608,723	1,606,101	1,532,862
13	OTHER INVESTMENTS	2,330,657	39,159	27,406	11,345	10,200
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	6,289,755	3,601,687	3,201,625	2,182,942	2,108,558
16	CASH	1,512,924	1,462,371	1,047,021	1,125,575	1,641,613
17	SPECIAL DEPOSITS	19,637,337	53,391,410	7,627,592	2,818,988	6,082,827
18	WORKING FUNDS	176,705	190,784	217,384	450,705	490,837
19	TEMPORARY CASH INVESTMENTS	6,412,500	14,350,000	10,517,642	-	-
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	61,270,244	44,835,751	45,130,323	45,317,235	45,816,966
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	29,564	-	-
22	MATERIALS AND SUPPLIES	21,128,628	23,853,891	33,129,621	29,526,117	19,076,129
23	PREPAYMENTS	8,119,228	6,523,634	5,402,585	5,106,431	4,694,318
24	OTHER CURRENT AND ACCRUED ASSETS	10,869,097	11,883,033	10,182,921	9,935,138	9,109,213
25	TOTAL CURRENT AND ACCRUED ASSETS	129,126,663	156,490,874	113,284,653	94,280,189	86,911,903
26	UNAMORTIZED DEBT EXPENSE	9,973,483	5,674,162	4,289,477	3,226,624	3,304,654
27	EXTRAORDINARY PROPERTY LOSSES	9,631,234	15,451,877	18,655,001	20,815,721	22,270,245
28	PREL. SURVEY + INVESTIGATION CHARGES	90,773	79,601	74,199	2,249,189	1,139,179
29	CLEARING ACCOUNTS	307,238	320,958	306,438	506,949	507,669
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	68,866-	627,361-	595,546-	139,795-	26,501-
32	ACCUMULATED DEFERRED INCOME TAXES	6,444,500	1,813,800	1,033,800	175,100	165,600
33	OTHER DEFERRED DEBITS	63,019,716	44,642,413	35,517,144	30,318,176	18,855,621
34	TOTAL DEFERRED DEBITS	89,398,080	67,355,450	59,280,513	57,151,964	46,216,467
35	TOTAL ASSETS AND OTHER DEBITS	$ 1,164,142,692	$ 1,040,337,539	$ 879,273,902	$ 764,380,443	$ 686,217,731
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 279,684,880	$ 214,464,067	$ 184,815,765	$ 156,927,223	$ 130,999,924
37	PREFERRED STOCK ISSUED	81,030,000	81,030,000	81,030,000	81,030,000	81,030,000
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	66,780	66,780	66,780	66,780	66,780
41	OTHER PAID-IN CAPITAL	-	-	-	-	-
42	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
43	CAPITAL STOCK EXPENSE	4,624,918-	4,302,983-	4,039,712-	3,839,759-	2,677,044-
44	RETAINED EARNINGS	164,414,239	145,374,845	125,751,423	109,935,474	99,035,804
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	318,370	481,654	561,857	559,234	485,995
46	REACQUIRED CAPITAL STOCK	-	-	-	-	-
47	TOTAL PROPRIETARY CAPITAL	520,889,351	437,114,363	388,186,113	344,678,952	288,941,459
48	BONDS (LESS BONDS REACQUIRED)	327,400,000	332,400,000	312,400,000	278,400,000	278,400,000
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	112,500,000	112,675,000	40,600,000	7,375,000	7,550,000
51	NET UNAMORTIZED PREMIUM + DISCOUNT	399,488-	537,038-	607,982-	678,926-	749,870-
52	TOTAL LONG-TERM DEBT	439,500,512	444,537,962	352,392,018	285,096,074	285,200,130
53	NOTES PAYABLE	-	-	-	23,000,000	26,500,000
54	ACCOUNTS PAYABLE	27,233,558	22,258,926	26,849,501	23,079,904	14,991,513
55	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
56	CUSTOMER DEPOSITS	2,808,722	2,688,436	2,478,924	2,677,244	2,733,059
57	TAXES ACCRUED	4,965,968	5,018,646	5,194,519	3,696,425	6,248,716
58	INTEREST ACCRUED	8,055,053	8,884,918	7,321,709	6,533,494	6,626,059
59	DIVIDENDS DECLARED	11,793,920	10,456,918	9,430,668	8,123,914	6,562,556
60	TAX COLLECTIONS PAYABLE	587,318	662,195	692,550	665,697	916,742
61	OTHER CURRENT AND ACCRUED LIABILITIES	12,720,852	7,205,101	11,551,218	8,920,170	4,970,142
62	TOTAL CURRENT AND ACCRUED LIABILITIES	68,165,391	57,165,140	63,519,079	76,696,848	69,548,787
63	CUSTOMER ADVANCES FOR CONSTRUCTION	699,689	694,970	681,529	787,666	779,360
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	34,129,000	35,438,000	27,647,000	20,093,000	14,254,000
66	OTHER DEFERRED CREDITS	56,474,666	27,826,565	12,773,999	6,663,471	1,588,223
	ACCUMULATED DEFERRED INCOME TAXES:					
67	ACCELERATED AMORTIZATION	-	-	-	-	63,316
68	LIBERALIZED DEPRECIATION	23,527,300	19,774,600	16,597,700	13,666,200	10,946,100
69	OTHER	18,794,300	16,097,900	15,573,100	15,144,000	13,695,700
70	TOTAL DEFERRED CREDITS	133,624,965	99,832,035	73,273,328	56,354,337	41,326,699
71	PROPERTY INSURANCE RESERVE	-	-	166,925	104,200	-
72	INJURIES AND DAMAGE RESERVE	1,962,483	1,688,039	1,736,439	1,450,032	1,200,656
73	PENSION AND BENEFITS RESERVE	-	-	-	-	-
74	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
75	TOTAL OPERATING RESERVES	1,962,483	1,688,039	1,903,364	1,554,232	1,200,656
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,164,142,692	$ 1,040,337,539	$ 879,273,902	$ 764,380,443	$ 686,217,731

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO
			COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS			
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 377,102,886	$ 436,652,041	$ 454,860,477	$ 411,769,559	$ 384,159,983	1
OPERATION AND MAINTENANCE EXPENSE	216,407,796	282,368,978	317,825,417	290,372,456	287,234,917	2
DEPRECIATION EXPENSE	16,749,686	16,106,142	15,490,660	15,167,286	14,380,940	3
AMORTIZATION	6,125,208	5,148,866	3,983,183	3,508,346	489,587	4
TAXES OTHER THAN INCOME TAXES	36,557,696	35,668,834	33,753,866	30,412,769	26,701,404	5
INCOME TAXES	28,318,000	25,450,000	28,427,000	20,875,000	13,341,000	6
PROVISION FOR DEFERRED INCOME TAXES	15,829,000	13,696,100	6,664,100	7,839,200	5,495,200	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	7,881,700-	4,737,400-	5,064,400-	4,501,418-	3,000,200-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	312,105,686	373,701,520	401,069,826	363,673,639	344,642,848	12
NET OPERATING REVENUES	64,997,201	62,950,521	53,790,651	48,095,920	39,517,135	13
INC. FROM LSD. PLT. & OTHER OPER. INC	-	-	-	-	-	14
ELECTRIC UTILITY OPERATING INCOME	64,997,201	62,950,521	53,790,651	48,095,920	39,517,135	15
OTHER UTILITY OPERATING INCOME	6,726,048	6,408,012	6,522,662	4,531,261	5,576,161	16
TOTAL UTILITY OPERATING INCOME	71,723,249	69,358,533	60,313,313	52,627,181	45,093,296	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	8,412	3,464-	67,201	9,871	3,193	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	29,502	188-	- -	-	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	163,284-	80,203-	2,623	73,239	26,040	21
INTEREST AND DIVIDEND INCOME	1,611,317	739,962	643,807	180,670	936,608	22
ALLOWANCE FOR CONSTRUCTION FUNDS	31,724,945	26,432,772	21,921,590	16,428,513	14,761,877	23
MISCELLANEOUS NONOPERATING INCOME	319,112-	762,778-	410,310	161,361-	188,986-	24
GAIN ON DISPOSITION OF PROPERTY	3,688	720	-	41,157	8,033	25
TOTAL OTHER INCOME	32,795,468	26,326,811	23,045,531	16,572,089	15,546,765	26
TOTAL INCOME	104,518,717	95,685,344	83,358,844	69,199,270	60,640,061	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	36,674	17,236	16,238	11,203	14,487	28
INCOME TAXES-NONOPERATING	6,690,300-	6,570,300-	4,964,500-	4,605,000-	4,581,000-	29
LOSS ON DISPOSITION OF PROPERTY	-	28,777	4,630	52,359	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	662,736	452,117	482,136	468,521	309,037	32
TOTAL INCOME DEDUCTIONS	5,990,890-	6,072,171-	4,461,496-	4,072,917-	4,257,476-	33
INCOME BEFORE INTEREST CHARGES	110,509,607	101,757,515	87,820,340	73,272,187	64,897,537	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	43,330,897	40,420,583	34,334,725	30,039,337	25,291,931	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	681,509	432,521	374,251	335,040	265,542	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	24,198-	24,192-	24,192-	24,192-	24,192-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	1,636,966	1,256,280	1,998,687	2,686,168	4,034,834	39
TOTAL INTEREST CHARGES	45,625,174	42,085,192	36,683,471	33,036,353	29,568,115	40
INCOME BEFORE EXTRAORDINARY ITEMS	64,884,433	59,672,323	51,136,869	40,235,834	35,329,422	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 64,884,433	$ 59,672,323	$ 51,136,869	$ 40,235,834	$ 35,329,422	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 145,374,845	$ 125,751,423	$ 109,935,474	$ 99,035,804	$ 88,497,245	47
BALANCE TRANSFERRED FROM INCOME	65,047,717	59,752,526	51,134,246	40,162,595	35,303,382	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	5,614,366	6,184,367	6,458,368	5,783,289	4,128,369	50
-COMMON STOCK	40,393,957	33,944,737	28,859,929	23,479,636	20,638,454	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	164,414,239	145,374,845	125,751,423	109,935,474	99,035,804	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	318,370	481,654	561,857	559,234	485,995	55
TOTAL RETAINED EARNINGS, END OF YEAR	$ 164,732,609	$ 145,856,499	$ 126,313,280	$ 110,494,708	$ 99,521,799	56
			SELECTED BALANCE SHEET RELATIONSHIPS			
CURRENT ASSETS / BY CURRENT LIABILITIES	1.89	2.74	1.78	1.23	1.25	57
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	45.7	50.4	47.5	45.2	49.6	58
PREFERRED STOCK	8.4	9.1	10.9	12.8	10.6	59
COMMON STOCK AND OTHER PAID-IN CAPITAL	28.6	23.8	24.4	24.4	22.'	60
RETAINED EARNINGS	17.1	16.4	16.9	17.4	17.2	61
LONG-TERM DEBT % OF GROSS UTILITY PLANT	36.8	42.1	37.9	34.7	38.1	62
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	21.2	22.8	24.2	25.5	26.2	63
			SELECTED INCOME ACCOUNT RELATIONSHIPS			
ELECTRIC OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	85.9	86.4	86.9	86.9	88.1	64
PERCENT OF ELECTRIC OPERATING REVENUES						
ELECTRIC OPERATION AND MAINTENANCE	57.3	64.6	69.8	70.5	74.7	65
ELECTRIC DEPRECIATION AND AMORTIZATION	6.0	4.8	4.2	4.5	3.8	66
TOTAL INCOME TAXES-ELECTRIC, OPERATING	9.6	7.8	6.6	5.8	4.1	67
OTHER TAXES-ELECTRIC, OPERATING	9.6	8.1	7.4	7.3	6.9	68
TOTAL ELECTRIC OPERATING EXPENSE	82.7	85.5	88.1	88.3	89.7	69
ELECTRIC OPERATING INCOME	17.2	14.4	11.8	11.6	10.2	70
INTEREST EXPENSE						
PRETAX COVERAGE	3.1	3.2	3.2	2.8	2.6	71
NET INCOME-PERCENT OF OPERATING REVENUES	14.7	11.8	9.7	8.4	7.9	72
DIVIDEND APPROPRIATIONS,COMMON STOCK						
% OF EARNINGS AVAILABLE FOR COMMON	68.1	63.4	64.5	68.1	66.1	73
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	14.8	16.1	15.6	14.0	14.6	74

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 64,884,433	$ 59,672,323	$ 51,136,869	$ 40,235,834	$ 35,329,422
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	24,893,611	24,249,558	22,531,271	20,524,230	16,922,780
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	509,400	10,712,700	10,055,900	9,934,584	7,816,700
4	INTEREST CAPITALIZED	31,724,945-	26,432,772-	21,921,590-	16,428,513-	14,761,877-
5	OTHER (NET)	11,140,493	3,819,486	5,354,460	2,998,590	1,421,379
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	69,702,992	72,021,295	67,156,910	57,264,725	46,728,404
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	69,702,992	72,021,295	67,156,910	57,264,725	46,728,404
10	LESS DIVIDENDS PREFERRED	5,614,366	6,184,367	6,458,368	5,783,289	4,126,369
11	COMMON	40,393,957	33,944,737	28,859,929	23,479,636	20,638,454
12	NET FUNDS FROM INTERNAL SOURCES	23,694,669	31,892,191	31,838,613	28,001,800	21,963,581
	EXTERNAL SOURCES					
13	LONG TERM DEBT	50,000,000	92,250,000	78,400,000	-	44,900,000
14	PREFERRED STOCK	-	-	-	20,000,000	-
15	COMMON STOCK	65,220,813	29,648,302	27,888,542	25,927,299	19,835,230
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	10,000,000
17	OTHER (NET)	35,668,304	46,005,491-	4,975,387-	3,448,962	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	150,889,117	75,892,811	101,313,155	49,376,261	74,735,230
20	OTHER SOURCES (NET)	28,796,158	-	-	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 203,379,944	$ 107,785,002	$ 133,151,768	$ 77,378,061	$ 96,698,811
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	ELECTRIC PLANT	$ 94,382,843	$ 33,115,417	$ 22,458,235	$ 16,114,243	$ 28,557,123
25	NUCLEAR PLANT	70,240,931	88,364,391	83,587,519	63,905,550	51,936,396
26	NUCLEAR FUEL	1,270,041	3,530,814	2,577,116	2,109,457	475,599
27	GAS PLANT	5,288,121	4,908,251	3,645,673	2,243,255	2,971,317
28	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
29	STEAM PLANT	-	-	-	-	-
30	NON-UTILITY PLANT	-	-	-	-	-
31	OTHER	-	-	-	-	-
32	TOTAL GROSS ADDITIONS	171,181,936	129,918,873	112,268,543	84,372,505	83,940,435
33	LESS INTEREST CAPITALIZED	31,724,945	26,432,772	21,921,590	16,428,513	14,761,877
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	139,456,991	103,486,101	90,346,953	67,943,992	69,178,558
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	55,175,000	175,000	11,175,000	175,000	6,175,000
36	PREFERRED STOCK	-	-	-	-	-
37	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	-	-	23,000,000	3,500,000	-
39	OTHER (NET)	-	-	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	55,175,000	175,000	34,175,000	3,675,000	6,175,000
42	OTHER USES (NET)	8,747,953	4,123,901	8,629,815	5,759,069	21,345,253
43						
44						
45	TOTAL FUNDS APPLIED	$ 203,379,944	$ 107,785,002	$ 133,151,768	$ 77,378,061	$ 96,698,811

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT

YEARS ENDING DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO
		ELECTRIC OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ - 139,415,668	$ 144,494,036	$ 141,033,626	$ 128,332,199	$ 116,293,775	1
COMMERCIAL AND INDUSTRIAL	184,621,003	205,845,678	191,914,636	169,498,157	158,750,242	2
PUBLIC STREET AND HIGHWAY LIGHTING	3,013,222	3,169,826	3,132,955	2,935,577	2,923,796	3
OTHER PUBLIC AUTHORITIES	22,182,024	26,628,809	23,462,082	21,522,186	19,926,481	4
RAILROADS AND RAILWAYS	-	-	-	-	-	5
INTERDEPARTMENTAL	47,372	46,564	56,812	44,883	36,885	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	349,279,289	380,184,913	359,600,111	320,332,982	294,931,179	7
RESALE	26,414,776	50,378,618	93,479,026	87,772,843	85,620,743	8
TOTAL REVENUES FROM ELECTRIC SALES	375,694,065	430,563,531	453,079,137	408,105,825	380,551,922	9
OTHER ELECTRIC OPERATING REVENUES	1,408,821	6,088,510	1,781,340	3,663,734	3,608,061	10
TOTAL ELECTRIC OPERATING REVENUES	$ 377,102,886	$ 436,652,041	$ 454,860,477	$ 411,769,559	$ 384,159,983	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	1,311,220	1,236,400	1,237,993	1,181,217	1,154,951	12
COMMERCIAL AND INDUSTRIAL	2,561,710	2,357,312	2,176,743	2,047,081	1,980,567	13
PUBLIC STREET AND HIGHWAY LIGHTING	24,258	24,626	25,164	26,101	27,480	14
OTHER PUBLIC AUTHORITIES	259,962	277,794	238,918	231,370	228,119	15
RAILROADS AND RAILWAYS	-	-	-	-	-	16
INTERDEPARTMENTAL	1,544	1,104	1,314	1,095	947	17
TOTAL SALES TO ULTIMATE CONSUMERS	4,158,693	3,897,236	3,680,131	3,486,864	3,392,065	18
RESALE	795,033	1,103,376	1,779,784	1,794,695	1,635,766	19
TOTAL KILOWATT-HOUR SALES	4,953,727	5,000,613	5,459,915	5,281,559	5,027,830	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	201,977	197,687	193,764	190,325	188,050	21
COMMERCIAL AND INDUSTRIAL	27,161	26,236	25,609	25,133	24,838	22
PUBLIC STREET AND HIGHWAY LIGHTING	192	191	189	188	187	23
OTHER PUBLIC AUTHORITIES	2,607	2,453	2,339	2,622	2,593	24
RAILROADS AND RAILWAYS	-	-	-	-	-	25
INTERDEPARTMENTAL	1	1	1	1	1	26
TOTAL ULTIMATE CONSUMERS	231,938	226,568	221,902	218,269	215,669	27
RESALE	4	5	7	8	9	28
TOTAL CUSTOMERS	231,942	226,573	221,909	218,277	215,678	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 690.26	$ 730.92	$ 727.86	$ 663.77	$ 618.42	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	6,492	6,254	6,389	6,206	6,142	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	10.63	11.69	11.39	10.70	10.07	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 6,797.28	$ 7,845.92	$ 7,494.03	$ 6,744.05	$ 6,270.64	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	94,316	89,850	84,999	81,450	79,739	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	7.21	8.73	8.82	8.28	7.86	35
		ELECTRIC OPERATION AND MAINTENANCE EXPENSES				
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 109,139,198	$ 167,593,770	$ 203,687,548	$ 191,343,983	$ 165,599,923	36
OTHER	15,371,039	12,334,000	12,145,284	12,462,934	9,936,537	37
TOTAL STEAM POWER EXPENSES	124,510,237	179,927,770	215,832,832	203,806,917	175,536,460	38
NUCLEAR POWER						
FUEL	-	-	-	-	-	39
OTHER	-	-	-	-	-	40
TOTAL NUCLEAR POWER EXPENSES	-	-	-	-	-	41
HYDRAULIC POWER						
WATER FOR POWER	997,095	422,748	956,756	1,323,296	901,684	42
OTHER	1,027,199	820,971	1,306,929	770,828	722,666	43
TOTAL HYDRAULIC POWER EXPENSES	2,024,294	1,243,719	2,263,685	2,094,124	1,624,350	44
OTHER POWER GENERATION						
FUEL	121,635	171,119	93,170	129,595	217,482	45
OTHER	212,036	179,436	256,614	149,426	401,696	46
TOTAL OTHER POWER GENERATION EXPENSE	333,671	350,555	349,784	279,021	619,178	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	33,800,510	50,538,138	52,545,117	40,427,763	68,009,395	48
OTHER	1,663,239	1,501,903	1,663,171	1,574,842	1,453,436	49
TOTAL OTHER POWER SUPPLY EXPENSES	35,463,749	52,040,041	54,208,288	42,002,605	69,462,831	50
TOTAL POWER PRODUCTION EXPENSES	162,331,951	233,562,085	272,654,589	248,182,667	247,242,819	51
TRANSMISSION EXPENSES	4,972,155	3,923,975	3,685,819	3,737,088	3,949,569	52
DISTRIBUTION EXPENSES	12,658,268	12,257,243	11,013,729	10,215,886	9,958,563	53
CUSTOMER ACCOUNTS EXPENSES	7,283,858	7,182,664	6,873,939	6,612,268	6,531,588	54
SALES EXPENSES	1,929,561	1,348,634	1,111,273	675,021	664,312	55
ADMINISTRATIVE AND GENERAL	27,232,003	24,094,377	22,486,068	20,949,525	18,888,066	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 216,407,798	$ 282,368,978	$ 317,825,417	$ 290,372,455	$ 287,234,917	57
		ELECTRIC UTILITY PLANT*				
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	$ 45,519	$ 45,519	$ 45,519	$ 45,519	$ 45,519	58
PRODUCTION PLANT						
STEAM	210,346,601	209,224,070	207,325,202	203,176,404	209,610,104	59
NUCLEAR	-	-	-	-	-	60
HYDRAULIC	15,765,223	10,625,021	10,233,998	10,236,694	10,042,622	61
OTHER	3,442,928	3,442,928	3,439,609	3,430,428	3,430,428	62
TRANSMISSION PLANT	67,887,909	67,549,254	63,738,889	63,450,472	63,426,475	63
DISTRIBUTION PLANT	207,184,831	196,740,080	187,333,169	179,510,323	173,529,512	64
GENERAL PLANT	548,946	527,879	554,188	549,859	529,641	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	13,919,310	12,649,267	9,118,455	6,541,339	4,431,882	68
TOTAL ELECTRIC PLANT IN SERVICE	519,141,267	500,804,018	481,789,019	466,941,038	465,046,183	69
PLANT LEASED TO OTHERS	-	-	-	-	-	70
PLANT HELD FOR FUTURE USE	3,724,280	5,400,449	5,398,573	5,398,573	5,842,942	71
CONSTRUCTION WORK IN PROGRESS	551,718,223	437,826,899	338,933,474	251,449,126	184,025,966	72
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	73
TOTAL ELECTRIC UTILITY PLANT	1,074,583,770	944,031,368	826,121,066	723,788,738	654,915,091	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	212,601,068	202,685,118	190,723,311	178,216,917	166,916,145	75
NET ELECTRIC UTILITY PLANT	$ 861,982,702	$ 741,346,250	$ 635,397,755	$ 545,571,819	$ 487,998,946	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 500,804,020	$ 481,789,019	$ 466,941,038	$ 465,046,183	$ 436,014,258	77
ADDITIONS	21,164,515	22,219,853	16,508,276	3,830,314	31,776,393	78
RETIREMENTS	2,866,762	3,067,456	1,660,295	1,942,655	2,498,404	79
TRANSFERS AND ADJUSTMENTS	39,494	137,396-	-	7,196	246,064-	80
PLANT IN SERVICE END OF YEAR	$ 519,141,267	$ 500,804,020	$ 481,789,019	$ 466,941,038	$ 465,046,183	81

*EXCLUDES ALLOCATION OF COMMON PLANT

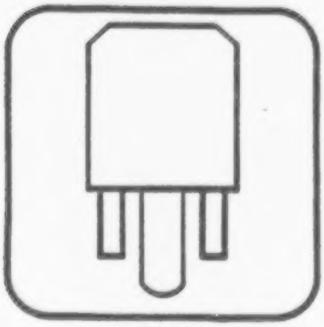
MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

YEARS ENDED DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES - ULTIMATE CONSUMERS	$ 350,688,110	$ 386,273,423	$ 361,381,451	$ 323,996,716	$ 298,539,240
2	SALES-ULTIMATE CONSUMERS (000 KWH)	4,158,693	3,897,236	3,680,130	3,486,864	3,392,064
				DOLLAR AMOUNTS		
3	FUEL AND PURCHASED POWER	$ 121,768,431	$ 169,727,054	$ 172,084,314	$ 153,848,877	$ 160,283,248
4	WAGES AND BENEFITS	37,393,631	35,043,059	33,490,238	32,735,322	29,337,430
5	OTHER OPERATION AND MAINTENANCE EXPENSES	34,160,694	27,496,768	25,272,804	22,617,801	21,533,237
6	DEPRECIATION AND AMORTIZATION EXPENSES	22,874,893	21,255,008	19,473,843	18,675,631	14,870,527
7	INCOME TAXES - OPERATING	36,265,300	34,408,700	30,016,700	24,212,784	15,836,000
8	OTHER TAXES - OPERATING	36,557,696	35,668,834	33,753,866	30,412,769	26,701,404
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	22,822,331	22,537,497	20,747,327	19,017,649	16,651,164
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	3,468,370	3,933,000	4,090,168	3,783,704	2,675,340
11	EARNINGS AVAILABLE FOR COMMON EQUITY	35,376,764	36,203,503	22,452,191	18,692,179	10,650,890
12	TOTAL	$ 350,688,110	$ 386,273,423	$ 361,381,451	$ 323,996,716	$ 298,539,240
				PERCENT OF REVENUES - ULTIMATE CONSUMERS		
13	FUEL AND PURCHASED POWER	34.7	43.9	47.6	47.5	53.7
14	WAGES AND BENEFITS	10.7	9.1	9.3	10.1	9.8
15	OTHER OPERATION AND MAINTENANCE EXPENSES	9.7	7.1	7.0	7.0	7.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	6.5	5.5	5.4	5.8	5.0
17	INCOME TAXES - OPERATING	10.3	8.9	8.3	7.5	5.3
18	OTHER TAXES - OPERATING	10.4	9.2	9.3	9.4	8.9
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	6.5	5.8	5.7	5.9	5.6
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.0	1.0	1.1	1.2	0.9
21	EARNINGS AVAILABLE FOR COMMON EQUITY	10.1	9.4	6.2	5.8	3.6
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER KWH		
23	FUEL AND PURCHASED POWER	2.93	4.36	4.68	4.41	4.73
24	WAGES AND BENEFITS	0.90	0.90	0.91	0.94	0.86
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.82	0.71	0.69	0.65	0.63
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.55	0.55	0.53	0.54	0.44
27	INCOME TAXES - OPERATING	0.87	0.88	0.82	0.69	0.47
28	OTHER TAXES - OPERATING	0.88	0.92	0.92	0.87	0.79
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	0.55	0.58	0.56	0.55	0.49
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.08	0.10	0.11	0.11	0.08
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.85	0.93	0.61	0.54	0.31
32	TOTAL	8.43	9.91	9.82	9.29	8.80
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	94.96	94.55	93.94	93.05	92.34



POWER

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS, YEARS ENDED DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC.

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 8,460,738,122	$ 8,163,699,858	$ 7,925,881,582	$ 7,644,564,709	$ 7,375,141,812
2	ACCUM. PROVISION FOR DEPR. AND AMORT	2,403,741,901	2,262,353,216	2,170,007,475	2,040,513,853	1,860,106,602
3	NET ELECTRIC UTILITY PLANT	6,056,996,221	5,901,346,642	5,755,874,107	5,604,050,856	5,515,035,210
4	OTHER UTILITY PLANT	1,618,992,360	1,524,570,439	1,441,930,980	1,350,647,146	1,270,543,050
5	ACCUM. PROVISION FOR DEPR. AND AMORT	355,448,209	330,142,748	300,329,378	278,000,283	250,441,357
6	NET OTHER UTILITY PLANT	1,263,544,141	1,194,427,691	1,141,601,602	1,072,646,863	1,020,101,693
7	TOTAL UTILITY PLANT	10,079,730,472	9,688,270,297	9,367,812,562	8,995,211,855	8,645,684,862
8	ACCUM. PROVISION FOR DEPR. AND AMORT	2,759,190,110	2,592,495,964	2,470,336,853	2,318,514,136	2,110,547,959
9	NET TOTAL UTILITY PLANT	7,320,540,362	7,095,774,333	6,897,475,709	6,676,697,719	6,535,136,903
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	2,333,133	2,668,546	3,303,442	3,480,748	3,296,745
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	260,641,141	6,380,967	5,947,074	5,399,750	4,717,267
13	OTHER INVESTMENTS	6,483,024	1,192,708	106,386	106,485	646,827
14	SPECIAL FUNDS	711,075	75,728	91,502	92,297	112,625
15	TOTAL OTHER PROPERTY AND INVESTMENTS	270,168,373	10,317,939	9,448,404	9,079,280	8,773,464
16	CASH	16,421,598	14,598,691	17,014,966	8,130,718	7,708,219
17	SPECIAL DEPOSITS	8,944,192	4,497,936	11,357,007	1,619,094	1,238,206
18	WORKING FUNDS	1,607,631	1,049,352	1,334,870	1,175,492	2,724,157
19	TEMPORARY CASH INVESTMENTS	688,130,004	836,760,669	748,555,642	589,685,961	333,255,335
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	343,582,619	403,169,594	402,444,476	425,476,680	369,151,372
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
22	MATERIALS AND SUPPLIES	252,404,136	294,866,183	320,672,805	293,681,950	316,638,230
23	PREPAYMENTS	39,146,662	37,412,031	47,387,933	29,498,654	23,213,271
24	OTHER CURRENT AND ACCRUED ASSETS	27,215,024	32,677,569	49,478,598	49,897,090	52,501,392
25	TOTAL CURRENT AND ACCRUED ASSETS	1,377,451,866	1,625,032,025	1,598,246,298	1,399,165,639	1,106,430,182
26	UNAMORTIZED DEBT EXPENSE	22,088,351	20,417,887	15,811,046	16,973,988	18,154,592
27	EXTRAORDINARY PROPERTY LOSSES	54,198,565	60,740,772	31,910,678	37,016,386	6,721,110
28	PREL. SURVEY + INVESTIGATION CHARGES	666,974	178,302	3,131,048	-	-
29	CLEARING ACCOUNTS	2,064,954	2,744,174	3,524,777	3,894,793	3,358,790
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	4,947,359-	6,425,459-	5,570,402-	7,686,497-	3,698,020-
32	ACCUMULATED DEFERRED INCOME TAXES	59,662,000	55,947,000	42,473,000	39,222,000	42,856,000
33	OTHER DEFERRED DEBITS	63,989,226	129,722,771	128,544,014	104,059,792	193,490,361
34	TOTAL DEFERRED DEBITS	197,722,711	263,325,447	219,824,161	193,480,462	260,882,833
35	TOTAL ASSETS AND OTHER DEBITS	$ 9,165,883,312	$ 8,994,449,744	$ 8,724,994,572	$ 8,278,423,100	$ 7,911,223,382
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 592,603,015	$ 604,543,535	$ 649,489,585	$ 648,761,000	$ 642,627,220
37	PREFERRED STOCK ISSUED	650,915,727	655,201,027	659,336,927	663,828,727	669,325,827
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	734,161,667	748,389,113	803,518,126	802,004,911	781,889,513
41	OTHER PAID-IN CAPITAL	-	-	-	-	-
42	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
43	CAPITAL STOCK EXPENSE	32,736,678-	33,250,913-	36,083,426-	35,094,014-	34,871,280-
44	RETAINED EARNINGS	2,741,176,021	2,632,985,161	2,593,797,871	2,287,687,133	1,993,471,354
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	2,084,601	326,362	266,479	312,024	281,532
46	REACQUIRED CAPITAL STOCK	-	-	-	-	-
47	TOTAL PROPRIETARY CAPITAL	4,688,204,343	4,608,194,285	4,671,325,562	4,367,499,781	4,052,724,166
48	BONDS (LESS BONDS REACQUIRED)	2,332,889,500	2,407,889,500	2,482,889,500	2,522,889,500	2,567,889,500
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	406,319,653	256,415,036	505,326	590,795	671,700
51	NET UNAMORTIZED PREMIUM + DISCOUNT	943,995	1,160,058	1,393,918	1,627,778	1,893,384
52	TOTAL LONG-TERM DEBT	2,740,153,148	2,665,464,594	2,484,788,744	2,525,108,073	2,570,454,584
53	NOTES PAYABLE	-	-	-	-	-
54	ACCOUNTS PAYABLE	120,197,162	179,180,944	182,297,540	161,295,259	178,100,417
55	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
56	CUSTOMER DEPOSITS	126,251,601	116,107,083	101,956,559	86,276,383	79,754,681
57	TAXES ACCRUED	219,768,815	207,761,167	181,170,353	178,326,081	100,938,086
58	INTEREST ACCRUED	55,211,890	56,110,827	47,650,229	47,150,760	47,643,309
59	DIVIDENDS DECLARED	9,468,608	9,474,837	9,617,785	9,697,085	9,797,291
60	TAX COLLECTIONS PAYABLE	20,049,475	24,555,821	24,558,165	22,247,282	20,290,070
61	OTHER CURRENT AND ACCRUED LIABILITIES	205,700,286	185,815,083	164,088,768	148,486,614	141,275,661
62	TOTAL CURRENT AND ACCRUED LIABILITIES	756,667,837	779,005,752	711,339,399	653,479,464	577,799,515
63	CUSTOMER ADVANCES FOR CONSTRUCTION	3,759,874	2,772,657	1,990,124	980,217	524,400
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	289,918,000	283,158,000	261,490,000	240,990,000	225,280,000
66	OTHER DEFERRED CREDITS	51,661,110	71,265,803	76,555,906	60,820,705	70,615,098
	ACCUMULATED DEFERRED INCOME TAXES.					
67	ACCELERATED AMORTIZATION	463,000	526,000	796,000	1,647,000	2,415,000
68	LIBERALIZED DEPRECIATION	592,377,000	510,792,000	438,357,000	360,294,000	295,471,000
69	OTHER	30,589,000	64,146,000	70,627,000	68,053,000	107,742,000
70	TOTAL DEFERRED CREDITS	968,757,984	932,660,460	849,816,030	722,764,922	702,047,498
71	PROPERTY INSURANCE RESERVE	-		-	-	-
72	INJURIES AND DAMAGE RESERVE	12,100,000	9,124,653	7,724,837	9,570,860	8,197,619
73	PENSION AND BENEFITS RESERVE	-	-	-	-	-
74	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
75	TOTAL OPERATING RESERVES	12,100,000	9,124,653	7,724,837	9,570,860	8,197,619
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 9,165,883,312	$ 8,994,449,744	$ 8,724,994,572	$ 8,278,423,100	$ 7,911,223,382

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

CONSOLIDATED EDISON CO. OF NEW YORK, INC.

ITEM	1986	1985	1984	1983	1982	LINE NO
		COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS				
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 4,235,568,344	$ 4,419,118,403	$ 4,620,768,540	$ 4,412,056,304	$ 4,020,287,718	1
OPERATION AND MAINTENANCE EXPENSE	2,129,517,464	2,362,134,796	2,573,982,014	2,459,516,317	2,346,825,751	2
DEPRECIATION EXPENSE	241,739,902	231,332,382	219,472,120	211,028,175	195,347,826	3
AMORTIZATION	7,416,601	7,416,601	5,980,104	14,148,289	25,884,440	4
TAXES OTHER THAN INCOME TAXES	850,730,547	821,408,716	803,342,481	742,660,295	658,757,519	5
INCOME TAXES	340,860,000	317,786,000	283,809,000	338,402,000	204,261,000	6
PROVISION FOR DEFERRED INCOME TAXES	288,208,000	138,855,000	227,453,000	166,327,000	202,754,000	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	246,207,000-	99,242,000-	151,419,000-	156,022,000-	174,001,000-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	197,821-	786,911-	675,183-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	3,612,265,514	3,779,493,673	3,961,832,808	3,775,471,853	3,460,829,536	12
NET OPERATING REVENUES	623,302,830	639,624,730	658,935,732	636,584,451	559,458,182	13
INC. FROM LSD. PLT. & OTHER OPER. INC	-	-	-	-	-	14
ELECTRIC UTILITY OPERATING INCOME	623,302,830	639,624,730	658,935,732	636,584,451	559,458,182	15
OTHER UTILITY OPERATING INCOME	86,596,273	75,518,482	92,029,610	92,197,303	78,208,484	16
TOTAL UTILITY OPERATING INCOME	709,899,103	715,143,212	750,965,342	728,781,754	637,666,666	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	3,004-	4,285-	2,184-	4,954-	15,553-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	202,317	288,368	277,738	243,482	316,996	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	1,991,524	69,883	81,191	94,379	89,758	21
INTEREST AND DIVIDEND INCOME	40,872,954	51,995,182	64,443,775	33,051,443	45,692,473	22
ALLOWANCE FOR CONSTRUCTION FUNDS	10,088,802	10,305,707	22,392,157	14,662,068	18,461,720	23
MISCELLANEOUS NONOPERATING INCOME	797,208	25,590	45,243	40,889	59,300	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	54,049,801	62,680,445	87,237,920	48,087,307	64,604,693	26
TOTAL INCOME	763,948,904	777,823,657	838,203,262	776,869,061	702,271,359	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	714,528	1,096,300	1,027,097	734,787	723,476	28
INCOME TAXES-NONOPERATING	9,940,000	18,860,000	26,340,000	12,210,000	18,630,000	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	8,271,339	6,013,387	6,467,062	6,433,303	4,806,321	32
TOTAL INCOME DEDUCTIONS	18,925,867	25,969,687	33,834,159	19,378,090	24,159,797	33
INCOME BEFORE INTEREST CHARGES	745,023,037	751,853,970	804,369,103	757,490,971	678,111,562	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	180,836,720	168,121,326	161,689,219	163,397,990	165,348,403	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	1,303,502	1,219,264	1,162,941	1,180,606	1,197,893	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	216,053-	233,840-	233,860-	265,606-	293,123-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	16,691,574	19,015,974	21,779,642	17,342,189	19,307,289	39
TOTAL INTEREST CHARGES	198,615,742	188,122,724	184,397,942	181,655,178	185,560,462	40
INCOME BEFORE EXTRAORDINARY ITEMS	546,407,295	563,731,246	619,971,161	575,835,793	492,551,100	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 546,407,295	$ 563,731,246	$ 619,971,161	$ 575,835,793	$ 492,551,100	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,632,986,161	$ 2,593,797,871	$ 2,287,687,133	$ 1,993,471,354	$ 1,755,569,193	47
BALANCE TRANSFERRED FROM INCOME	544,649,096	563,051,053	620,016,706	575,805,301	491,955,275	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	38,351,666	38,352,979	38,649,403	38,971,380	39,507,816	50
-COMMON STOCK	319,693,884	296,922,020	275,246,610	242,608,007	214,535,143	51
ADJUSTMENTS TO RETAINED EARNINGS	78,712,686-	188,497,764-	10,155-	10,155-	10,155-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,741,176,021	2,632,986,161	2,593,797,871	2,287,687,133	1,993,471,354	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	2,084,601	325,362	266,479	312,024	281,532	55
TOTAL RETAINED EARNINGS, END OF YEAR	$ 2,743,260,622	$ 2,633,311,523	$ 2,594,064,350	$ 2,287,999,157	$ 1,993,752,886	56
		SELECTED BALANCE SHEET RELATIONSHIPS				
CURRENT ASSETS / BY CURRENT LIABILITIES	1.82	2.09	2.26	2.14	1.91	57
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	35.8	36.8	34.7	36.8	38.8	58
PREFERRED STOCK	8.7	9.0	9.2	9.6	10.1	59
COMMON STOCK AND OTHER PAID-IN CAPITAL	17.4	18.1	19.8	20.5	20.9	60
RETAINED EARNINGS	38.1	36.1	36.2	33.1	30.0	61
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	27.1	27.6	26.5	28.0	29.7	62
ACCUM PROVISION FOR DEPR.: % OF UTILITY PLT	27.3	26.7	26.3	25.7	24.4	63
		SELECTED INCOME ACCOUNT RELATIONSHIPS				
ELECTRIC OPERATING REVENUES: % OF TOTAL OPERATING REVENUES	81.2	80.1	80.4	79.8	79.1	64
PERCENT OF ELECTRIC OPERATING REVENUES:						
ELECTRIC OPERATION AND MAINTENANCE	50.2	53.4	55.7	55.7	58.2	65
ELECTRIC DEPRECIATION AND AMORTIZATION	5.8	5.4	4.8	5.1	5.5	66
TOTAL INCOME TAXES-ELECTRIC, OPERATING	9.0	8.0	7.7	7.8	5.7	67
OTHER TAXES-ELECTRIC, OPERATING	20.0	18.5	17.3	16.8	16.2	68
TOTAL ELECTRIC OPERATING EXPENSE	85.2	85.5	85.7	85.5	86.0	69
ELECTRIC OPERATING INCOME	14.7	14.4	14.2	14.4	13.9	70
INTEREST EXPENSE						
PRETAX COVERAGE	6.0	6.2	6.7	6.4	5.2	71
NET INCOME-PERCENT OF OPERATING REVENUES	10.4	10.2	10.7	10.4	9.8	72
DIVIDEND APPROPRIATIONS COMMON STOCK: % OF EARNINGS AVAILABLE FOR COMMON	62.8	56.5	47.3	45.1	47.3	73
PERCENT OF AVERAGE COMMON EQUITY: EARNINGS AVAILABLE FOR COMMON STOCK	12.7	13.1	15.0	15.1	13.9	74

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC.

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 546,407,295	$ 563,731,246	$ 619,971,161	$ 575,835,793	$ 492,551,100
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	302,307,619	318,841,688	280,771,956	289,848,174	278,095,698
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	54,550,000	77,820,000	110,610,000	27,990,000	62,410,000
4	INTEREST CAPITALIZED	10,088,802-	10,305,707-	22,392,157-	14,662,068-	18,461,720-
5	OTHER (NET)	7,571,627	17,008,004	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	900,747,739	967,095,231	988,960,960	879,011,899	814,595,078
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	900,747,739	967,095,231	988,960,960	879,011,899	814,595,078
10	LESS DIVIDENDS: PREFERRED	38,051,666	38,352,979	38,649,403	38,971,360	39,507,816
11	COMMON	319,693,864	296,922,029	275,246,410	242,608,007	214,535,143
12	NET FUNDS FROM INTERNAL SOURCES	543,002,209	631,820,223	675,065,147	597,432,532	560,552,119
	EXTERNAL SOURCES					
13	LONG TERM DEBT	150,000,000	256,000,000	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	23,002,078	15,965,185
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	150,000,000	256,000,000	-	23,002,078	15,965,185
20	OTHER SOURCES (NET)	225,242,245	40,880,625	-	49,043,486	4,806,403
21						
22						
23	TOTAL FUNDS PROVIDED	$ 918,244,454	$ 928,700,848	$ 675,065,147	$ 669,478,096	$ 581,323,707
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	ELECTRIC PLANT	$ 330,378,048	$ 308,396,783	$ 305,291,258	$ 263,892,356	$ 264,438,144
25	NUCLEAR PLANT	38,089,926	39,368,683	40,416,745	22,277,395	59,355,512
26	NUCLEAR FUEL	9,123,544	72,597,497	11,934,814	29,464,569	20,508,726
27	GAS PLANT	47,369,898	48,593,177	41,839,008	44,379,756	47,741,648
28	LIQUEFIED NATURAL GAS PLANT	58,834	54,392	62,714	326,825	356,392
29	STEAM PLANT	10,436,854	7,921,409	8,608,333	7,874,714	6,620,701
30	NON-UTILITY PLANT	-	-	-	-	-
31	OTHER	63,559,294	53,941,986	68,998,551	51,538,136	46,392,077
32	TOTAL GROSS ADDITIONS	499,016,398	530,673,927	477,151,423	419,753,751	445,413,200
33	LESS INTEREST CAPITALIZED	10,088,802	10,305,707	22,392,157	14,662,068	18,461,720
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	488,927,596	520,368,220	454,759,266	405,091,683	426,951,480
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	75,095,383	75,090,291	40,085,468	45,080,905	121,756,585
36	PREFERRED STOCK	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000
37	REDEMPTION OF CAPITAL STOCK	106,401,625	289,337,811	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
39	OTHER (NET)	-	-	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	183,747,008	366,678,102	42,335,468	47,330,905	124,006,585
42	OTHER USES (NET)	245,569,850	41,654,526	177,970,413	217,055,508	30,365,642
43						
44						
45	TOTAL FUNDS APPLIED	$ 918,244,454	$ 928,700,848	$ 675,065,147	$ 669,478,096	$ 581,323,707

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC.

ITEM	1986	1985	1984	1983	1982	LINE NO
ELECTRIC OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 1,207,580,498	$ 1,280,757,722	$ 1,381,600,664	$ 1,316,568,690	$ 1,177,738,153	1
COMMERCIAL AND INDUSTRIAL	2,615,293,413	2,759,721,459	2,854,824,925	2,706,398,747	2,498,306,163	2
PUBLIC STREET AND HIGHWAY LIGHTING	550,114	598,798	550,464	520,373	477,626	3
OTHER PUBLIC AUTHORITIES	43,006,372	43,511,614	46,705,082	45,774,669	41,573,324	4
RAILROADS AND RAILWAYS	5,647,906	6,993,059	9,541,856	12,803,429	13,331,426	5
INTERDEPARTMENTAL	-	-	-	-	-	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	3,872,078,303	4,091,582,652	4,273,222,991	4,081,085,916	3,731,422,692	7
RESALE	55,305,182	105,768,909	145,675,358	147,480,938	118,798,919	8
TOTAL REVENUES FROM ELECTRIC SALES	3,927,383,485	4,197,351,561	4,418,898,349	4,228,566,854	3,850,221,611	9
OTHER ELECTRIC OPERATING REVENUES	308,184,859	221,766,842	201,870,191	183,489,450	170,066,107	10
TOTAL ELECTRIC OPERATING REVENUES	$ 4,235,568,344	$ 4,419,118,403	$ 4,620,768,540	$ 4,412,056,304	$ 4,020,287,718	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	8,128,076	8,096,945	8,253,770	8,280,776	7,685,640	12
COMMERCIAL AND INDUSTRIAL	21,574,291	21,014,951	20,672,844	20,020,122	19,190,515	13
PUBLIC STREET AND HIGHWAY LIGHTING	4,458	4,559	4,008	3,891	3,702	14
OTHER PUBLIC AUTHORITIES	407,588	395,155	385,886	385,248	349,558	15
RAILROADS AND RAILWAYS	52,526	56,478	73,281	104,172	110,158	16
INTERDEPARTMENTAL	-	-	-	-	-	17
TOTAL SALES TO ULTIMATE CONSUMERS	30,167,339	29,568,087	29,389,790	28,794,209	27,339,573	18
RESALE	1,623,411	2,605,674	3,021,233	2,894,671	2,420,305	19
TOTAL KILOWATT-HOUR SALES	31,790,749	32,173,761	32,411,023	31,688,880	29,759,878	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	2,461,813	2,448,961	2,434,131	2,416,159	2,402,712	21
COMMERCIAL AND INDUSTRIAL	367,627	356,196	348,330	344,972	342,593	22
PUBLIC STREET AND HIGHWAY LIGHTING	199	186	145	136	129	23
OTHER PUBLIC AUTHORITIES	1,308	999	979	907	911	24
RAILROADS AND RAILWAYS	4	4	4	4	4	25
INTERDEPARTMENTAL	-	-	-	-	-	26
TOTAL ULTIMATE CONSUMERS	2,830,949	2,806,326	2,783,589	2,762,178	2,746,349	27
RESALE	4	4	4	4	4	28
TOTAL CUSTOMERS	2,830,953	2,806,330	2,783,593	2,762,182	2,746,353	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 490.52	$ 522.98	$ 559.38	$ 544.91	$ 490.17	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	3,302	3,306	3,391	3,427	3,199	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	14.86	15.82	16.50	15.90	15.32	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 7,113.99	$ 7,747.76	$ 8,195.75	$ 7,842.37	$ 7,282.34	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	58,685	58,998	59,348	58,034	56,015	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	12.12	13.13	13.81	13.51	13.02	35
ELECTRIC OPERATION AND MAINTENANCE EXPENSES						
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 575,369,056	$ 789,215,225	$ 950,153,652	$ 1,004,187,815	$ 1,031,621,686	36
OTHER	191,993,614	203,041,210	177,827,776	183,369,702	164,344,834	37
TOTAL STEAM POWER EXPENSES	767,362,670	992,256,435	1,127,981,428	1,187,557,517	1,195,966,520	38
NUCLEAR POWER						
FUEL	26,326,305	57,980,935	17,133,488	63,328,008	5,348,661	39
OTHER	89,014,675	58,850,521	96,839,413	49,910,860	68,663,820	40
TOTAL NUCLEAR POWER EXPENSES	115,340,980	116,831,456	113,972,901	113,238,868	74,012,481	41
HYDRAULIC POWER						
WATER FOR POWER	-	-	-	-	-	42
OTHER	-	-	-	-	-	43
TOTAL HYDRAULIC POWER EXPENSES	-	-	-	-	-	44
OTHER POWER GENERATION						
FUEL	16,847,470	14,052,096	27,149,824	16,217,388	11,873,544	45
OTHER	27,615,218	26,729,013	25,990,101	33,034,316	25,550,010	46
TOTAL OTHER POWER GENERATION EXPENSE	44,462,688	40,781,109	53,139,925	49,251,704	37,423,554	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	438,101,205	461,938,066	560,332,907	429,119,342	409,496,304	48
OTHER	8,999,948	8,391,584	4,060,888	4,108,789	3,526,943	49
TOTAL OTHER POWER SUPPLY EXPENSES	447,101,153	470,329,650	564,393,795	433,228,131	413,023,247	50
TOTAL POWER PRODUCTION EXPENSES	1,374,267,491	1,620,198,660	1,859,488,049	1,783,276,220	1,720,425,802	51
TRANSMISSION EXPENSES	81,596,109	82,048,620	85,167,038	76,183,931	64,505,119	52
DISTRIBUTION EXPENSES	220,129,897	211,858,082	194,302,592	194,672,846	174,267,942	53
CUSTOMER ACCOUNTS EXPENSES	140,260,484	143,187,430	147,066,852	134,586,301	133,823,054	54
SALES EXPENSES	7,635,240	6,537,010	9,244,547	7,905,943	6,750,959	55
ADMINISTRATIVE AND GENERAL	305,628,243	298,305,004	278,712,936	262,890,077	247,052,875	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 2,129,517,464	$ 2,362,134,796	$ 2,573,982,014	$ 2,459,515,317	$ 2,346,825,751	57
ELECTRIC UTILITY PLANT*						
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	-	-	-	-	-	58
PRODUCTION PLANT						
STEAM	1,637,154,474	1,617,590,263	1,609,210,427	1,545,162,055	1,538,020,590	59
NUCLEAR	541,783,605	489,256,227	503,890,400	477,418,461	461,009,528	60
HYDRAULIC	-	-	-	-	-	61
OTHER	154,856,736	154,287,650	148,454,008	147,660,393	147,209,721	62
TRANSMISSION PLANT	1,377,920,873	1,371,270,045	1,328,899,527	1,262,794,061	1,205,463,387	63
DISTRIBUTION PLANT	4,216,798,366	4,055,520,600	3,832,060,390	3,691,869,502	3,615,733,535	64
GENERAL PLANT	-	-	-	-	-	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	293,682,991	284,759,447	252,877,678	240,942,863	175,711,917	68
TOTAL ELECTRIC PLANT IN SERVICE	8,222,197,045	7,972,684,232	7,675,392,430	7,365,837,935	7,143,148,678	69
PLANT LEASED TO OTHERS	-	-	-	-	-	70
PLANT HELD FOR FUTURE USE	7,925,365	8,461,150	8,359,723	7,865,833	7,526,076	71
CONSTRUCTION WORK IN PROGRESS	230,615,712	182,554,476	242,129,429	270,850,941	224,467,058	72
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	73
TOTAL ELECTRIC UTILITY PLANT	8,460,738,122	8,163,699,858	7,925,881,582	7,644,554,709	7,375,141,812	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	2,403,741,901	2,262,353,216	2,170,007,475	2,040,512,853	1,860,106,602	75
NET ELECTRIC UTILITY PLANT	$ 6,056,996,221	$ 5,901,346,642	$ 5,755,874,107	$ 5,604,050,856	$ 5,515,035,210	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 7,972,684,232	$ 7,675,392,430	$ 7,365,837,936	$ 7,143,148,678	$ 6,893,534,688	77
ADDITIONS	324,124,422	430,838,935	382,421,176	253,244,594	339,927,347	78
RETIREMENTS	75,403,201	134,944,472	72,842,289	67,485,746	90,231,017	79
TRANSFERS AND ADJUSTMENTS	791,592	1,397,339	24,393-	36,930,409	82,340-	80
PLANT IN SERVICE END OF YEAR	$ 8,222,197,045	$ 7,972,684,232	$ 7,675,392,430	$ 7,305,837,935	$ 7,143,148,678	81

*EXCLUDES ALLOCATION OF COMMON PLANT

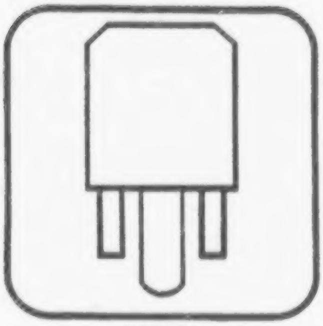
MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

YEARS ENDED DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC.

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES - ULTIMATE CONSUMERS	$ 4,180,263,162	$ 4,313,349,494	$ 4,475,093,182	$ 4,264,575,366	$ 3,901,488,799
2	SALES-ULTIMATE CONSUMERS (000 KWH)	30,167,338	29,568,087	29,389,790	28,794,208	27,339,573
	DOLLAR AMOUNTS					
3	FUEL AND PURCHASED POWER	$ 1,003,438,617	$ 1,195,117,445	$ 1,390,562,844	$ 1,356,867,721	$ 1,321,938,462
4	WAGES AND BENEFITS	674,537,026	665,351,514	632,240,968	575,472,726	557,347,570
5	OTHER OPERATION AND MAINTENANCE EXPENSES	396,712,991	370,793,465	383,183,032	367,720,184	328,717,681
6	DEPRECIATION AND AMORTIZATION EXPENSES	249,156,503	238,748,983	225,452,224	225,174,464	222,232,266
7	INCOME TAXES - OPERATING	382,861,000	357,399,000	359,823,000	348,707,000	233,014,000
8	OTHER TAXES - OPERATING	850,730,547	821,408,715	803,342,481	742,850,255	658,757,519
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	171,423,992	162,991,422	157,167,033	156,385,384	159,690,706
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	32,783,130	33,082,750	32,843,872	33,463,848	33,785,393
11	EARNINGS AVAILABLE FOR COMMON EQUITY	418,619,357	468,456,200	490,477,728	458,133,784	386,005,202
12	TOTAL	$ 4,180,263,162	$ 4,313,349,494	$ 4,475,093,182	$ 4,264,575,366	$ 3,901,488,799
	PERCENT OF REVENUES - ULTIMATE CONSUMERS					
13	FUEL AND PURCHASED POWER	24.0	27.7	31.1	31.8	33.9
14	WAGES AND BENEFITS	16.1	15.4	14.1	13.5	14.3
15	OTHER OPERATION AND MAINTENANCE EXPENSES	9.5	8.6	8.6	8.6	8.4
16	DEPRECIATION AND AMORTIZATION EXPENSES	6.0	5.5	5.0	5.3	5.7
17	INCOME TAXES - OPERATING	9.2	8.3	8.0	8.2	6.0
18	OTHER TAXES - OPERATING	20.4	19.0	18.0	17.4	16.9
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	4.1	3.8	3.5	3.7	4.1
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.8	0.8	0.7	0.8	0.9
21	EARNINGS AVAILABLE FOR COMMON EQUITY	10.0	10.9	11.0	10.7	9.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	CENTS PER KWH					
23	FUEL AND PURCHASED POWER	3.33	4.04	4.73	4.71	4.84
24	WAGES AND BENEFITS	2.24	2.25	2.15	2.00	2.04
25	OTHER OPERATION AND MAINTENANCE EXPENSES	1.32	1.25	1.30	1.28	1.20
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.83	0.81	0.77	0.78	0.81
27	INCOME TAXES - OPERATING	1.27	1.21	1.22	1.21	0.85
28	OTHER TAXES - OPERATING	2.82	2.78	2.73	2.58	2.41
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	0.57	0.55	0.53	0.54	0.58
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.11	0.11	0.11	0.12	0.12
31	EARNINGS AVAILABLE FOR COMMON EQUITY	1.39	1.58	1.67	1.59	1.41
32	TOTAL	13.86	14.59	15.23	14.81	14.27
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	87.54	87.71	87.81	87.84	88.06



POWER

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS, YEARS ENDED DECEMBER 31

LONG ISLAND LIGHTING COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 8,171,575,806	$ 7,657,368,083	$ 6,794,794,131	$ 5,958,903,431	$ 5,095,104,663
2	ACCUM. PROVISION FOR DEPR. AND AMORT	753,249,741	698,348,824	644,491,356	593,540,712	546,966,625
3	NET ELECTRIC UTILITY PLANT	7,418,326,064	6,959,019,259	6,150,302,775	5,365,362,719	4,548,138,038
4	OTHER UTILITY PLANT	543,740,076	509,870,542	477,749,877	463,616,367	441,636,738
5	ACCUM. PROVISION FOR DEPR. AND AMORT	166,202,516	154,722,264	144,073,214	133,757,278	125,551,217
6	NET OTHER UTILITY PLANT	377,537,560	355,148,278	333,676,663	329,859,089	316,085,521
7	TOTAL UTILITY PLANT	8,715,315,880	8,167,238,625	7,272,544,008	6,422,519,798	5,536,741,401
8	ACCUM. PROVISION FOR DEPR. AND AMORT	919,452,256	853,071,088	788,564,570	727,297,990	672,517,842
9	NET TOTAL UTILITY PLANT	7,795,863,624	7,314,167,537	6,483,979,438	5,695,221,808	4,864,223,559
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	995,388	1,885,950	2,810,589	2,815,520	2,823,013
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	444,207	519,522	569,669	636,925	608,056
13	OTHER INVESTMENTS	66,885,216	65,941,156	65,199,518	124,070,972	59,428,449
14	SPECIAL FUNDS	58,428	59,212	59,212	59,212	59,212
15	TOTAL OTHER PROPERTY AND INVESTMENTS	68,383,239	68,405,840	68,638,988	127,582,629	62,918,730
16	CASH	14,227,831	11,829,970	9,933,849	3,146,597	8,671,381
17	SPECIAL DEPOSITS	4,751,280-	74,863,424	61,899,894	3,567,160	8,307,719
18	WORKING FUNDS	176,925	197,580	171,487	154,187	166,575
19	TEMPORARY CASH INVESTMENTS	361,881,000	3,300,000	21,600,000	272,073,860	18,200,000
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	171,466,747	177,601,513	183,446,914	168,028,746	149,785,401
21	RECEIVABLES FROM ASSOCIATED COMPANIES	1,546-	1,838-	2,130-	2,572-	3,120
22	MATERIALS AND SUPPLIES	62,716,132	71,197,194	77,368,452	71,786,228	103,193,616
23	PREPAYMENTS	9,238,359	12,047,616	2,014,517	1,060,487	1,016,606
24	OTHER CURRENT AND ACCRUED ASSETS	60,987,367	63,415,219	70,969,727	67,198,107	71,875,276
25	TOTAL CURRENT AND ACCRUED ASSETS	665,941,536	414,450,178	427,402,710	587,002,798	361,219,694
26	UNAMORTIZED DEBT EXPENSE	65,624,119	31,833,338	31,852,357	18,603,746	17,446,019
27	EXTRAORDINARY PROPERTY LOSSES	127,590,121	25,537,410	42,512,850	-	474,412
28	PREL. SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
29	CLEARING ACCOUNTS	-	-	-	-	-
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	7,472,505-	15,062,718-	11,865,267-	2,496,654-	1,426,027
32	ACCUMULATED DEFERRED INCOME TAXES	66,798,589	26,285,692	28,295,356	9,825,413	8,727,787
33	OTHER DEFERRED DEBITS	61,880,250	88,877,333	32,120,027	13,732,361	33,288,383
34	TOTAL DEFERRED DEBITS	313,420,574	157,471,056	122,915,323	39,665,866	61,362,628
35	TOTAL ASSETS AND OTHER DEBITS	$ 8,843,608,973	$ 7,954,494,610	$ 7,102,936,439	$ 6,449,473,101	$ 5,349,724,611
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 555,524,975	$ 555,294,495	$ 551,060,780	$ 520,600,360	$ 502,864,435
37	PREFERRED STOCK ISSUED	754,865,500	754,868,000	754,868,800	799,168,600	646,720,300
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	997,219,759	996,986,474	996,016,528	962,892,138	919,776,520
41	OTHER PAID-IN CAPITAL	3,637,299	3,637,299	3,637,299	1,333,416	1,064,427
42	INSTALLMENTS REC'D ON CAPITAL STOCK	100,886	107,481	342,890	337,245	443,061
43	CAPITAL STOCK EXPENSE	56,138,161-	56,116,102-	56,103,001-	56,278,151-	60,334,877-
44	RETAINED EARNINGS	1,797,122,776	1,480,471,857	956,192,008	579,961,235	501,680,906
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	196,644	172,471	164,293	153,997	125,128
46	REACQUIRED CAPITAL STOCK	26,701,240-	7,653,963-	505,284-	1,771,600-	-
47	TOTAL PROPRIETARY CAPITAL	4,026,828,438	3,727,768,012	3,205,674,313	2,806,397,238	2,522,339,900
48	BONDS (LESS BONDS REACQUIRED)	2,318,000,000	2,141,000,000	1,837,500,000	1,716,000,000	1,643,000,000
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	1,511,796,180	1,292,095,003	1,296,104,661	1,345,151,764	665,164,241
51	NET UNAMORTIZED PREMIUM + DISCOUNT	28,281,187-	9,414,094-	9,658,157-	8,197,924-	5,604,200-
52	TOTAL LONG-TERM DEBT	3,801,514,993	3,423,680,909	3,123,946,504	3,052,953,840	2,302,560,041
53	NOTES PAYABLE	-	-	-	-	-
54	ACCOUNTS PAYABLE	89,185,088	102,166,096	120,943,807	111,937,957	147,674,248
55	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
56	CUSTOMER DEPOSITS	15,361,594	14,013,590	12,761,596	12,230,663	10,865,230
57	TAXES ACCRUED	18,099,121	20,100,409	124,131,381	54,620,653	56,665,537
58	INTEREST ACCRUED	69,967,486	59,618,325	59,579,666	61,412,898	44,725,931
59	DIVIDENDS DECLARED	-	-	-	67,488,118	60,428,695
60	TAX COLLECTIONS PAYABLE	3,359,316	4,174,097	4,594,247	4,670,561	3,934,716
61	OTHER CURRENT AND ACCRUED LIABILITIES	36,307,104	45,267,803	39,051,309	23,817,666	23,821,444
62	TOTAL CURRENT AND ACCRUED LIABILITIES	232,279,709	245,340,319	361,062,006	335,978,516	348,115,801
63	CUSTOMER ADVANCES FOR CONSTRUCTION	5,308,768	4,428,264	3,364,718	3,021,885	2,819,722
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	71,384,400	289,045,446	243,906,530	143,790,116	90,795,116
66	OTHER DEFERRED CREDITS	69,886,186	183,838,163	106,482,867	71,461,297	47,454,081
	ACCUMULATED DEFERRED INCOME TAXES:					
67	ACCELERATED AMORTIZATION	882,480	1,313,530	1,744,440	2,175,420	2,606,400
68	LIBERALIZED DEPRECIATION	565,252,901	39,516,513	26,936,127	20,908,619	17,393,431
69	OTHER	55,238,666	30,229,919	10,821,005	6,199,517	9,991,067
70	TOTAL DEFERRED CREDITS	767,953,399	848,371,835	393,255,687	247,557,054	170,859,817
71	PROPERTY INSURANCE RESERVE	-	-	-	925,926	925,926
72	INJURIES AND DAMAGE RESERVE	9,290,418	8,456,239	7,121,867	6,437,577	7,336,675
73	PENSION AND BENEFITS RESERVE	1,808,824	2,097,539	1,679,971	1,232,996	720,000
74	MISCELLANEOUS OPERATING RESERVES	3,933,192	1,220,243-	10,196,091	2,010,046-	3,133,549-
75	TOTAL OPERATING RESERVES	15,032,434	9,333,535	18,997,929	6,586,453	5,849,052
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 8,843,608,973	$ 7,954,494,610	$ 7,102,936,439	$ 6,449,473,101	$ 5,349,724,611

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

LONG ISLAND LIGHTING COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS						
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 1,812,021,971	$ 1,679,391,113	$ 1,613,699,657	$ 1,436,365,072	$ 1,321,317,154	1
OPERATION AND MAINTENANCE EXPENSE	709,698,088	814,093,467	873,608,364	850,843,264	794,636,117	2
DEPRECIATION EXPENSE	61,193,800	58,511,048	57,198,207	55,648,543	54,202,702	3
AMORTIZATION	16,279,676	16,975,440	5,658,480	-	-	4
TAXES OTHER THAN INCOME TAXES	230,508,300	224,376,077	213,691,217	201,841,488	173,808,343	5
INCOME TAXES	215,438,129-	60,457,924	94,209,266	42,587,263	43,326,233	6
PROVISION FOR DEFERRED INCOME TAXES	249,435,508	155,586,303	91,232,848	47,886,272	36,852,001	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	208,709,240	12,476,513	3,304,377-	3,007,411-	2,619,373-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	475,584	9
GAINS FROM DISPOSITION OF UTILITY PLT	52,018-	1,413-	-	-	4,765-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	18,910	-	-	-	-	11
TOTAL OPERATING EXPENSES	1,260,353,374	1,332,475,359	1,332,294,012	1,195,799,419	1,100,675,842	12
NET OPERATING REVENUES	351,668,597	346,915,754	281,405,645	240,565,653	220,641,312	13
INC. FROM LSD. PLT. & OTHER OPER. INC	-	-	-	-	-	14
ELECTRIC UTILITY OPERATING INCOME	351,668,597	346,915,754	281,405,645	240,565,653	220,641,312	15
OTHER UTILITY OPERATING INCOME	35,410,609	41,224,184	32,454,022	28,982,172	27,134,553	16
TOTAL UTILITY OPERATING INCOME	387,079,206	388,139,938	313,859,667	269,547,825	247,775,865	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	58,568-	38,691-	81,143	119,210-	191,842-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	26,521-	67,238	1,909-	14,986-	31,375-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S.	70,914	66,504	68,621	87,194	84,041	21
INTEREST AND DIVIDEND INCOME	9,154,261	2,414,817	20,993,947	12,892,725	6,575,347	22
ALLOWANCE FOR CONSTRUCTION FUNDS	251,389,566	378,239,590	310,120,981	284,841,182	201,376,733	23
MISCELLANEOUS NONOPERATING INCOME	1,315,550	39,768-	39,938-	69,656-	71,663-	24
GAIN ON DISPOSITION OF PROPERTY	504,862	13,120	-	22,567	289,493	25
TOTAL OTHER INCOME	262,350,064	380,722,810	331,222,845	297,639,794	208,030,734	26
TOTAL INCOME	649,429,270	768,862,748	645,082,512	567,187,619	455,806,599	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	770,284-	353,496	3,758,779-	148,331-	88,725-	28
INCOME TAXES-NONOPERATING	82,577,549-	85,049,531-	81,003,124-	31,511,016-	39,915,045-	29
LOSS ON DISPOSITION OF PROPERTY	351,965	6,485	-	54	8,977	30
MISCELLANEOUS AMORTIZATION	-	-	599,289	1,177,407	1,177,407	31
MISCELLANEOUS INCOME DEDUCTIONS	20,678,540	2,727,274	13,494,787	3,283,747	2,869,166	32
TOTAL INCOME DEDUCTIONS	62,317,328-	81,962,277-	70,667,827-	27,198,139-	36,948,201-	33
INCOME BEFORE INTEREST CHARGES	711,746,598	850,825,025	715,750,339	594,385,758	491,754,800	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	379,751,440	310,975,697	275,978,832	214,952,213	170,574,408	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	7,253,392	11,257,645	5,825,519	2,126,276	1,805,826	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	111,470-	115,692-	127,038-	129,173-	131,298-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	8,178,144	4,419,348	6,285,120	12,462,783	10,112,284	39
TOTAL INTEREST CHARGES	395,071,506	326,536,998	287,962,433	229,412,099	182,361,218	40
INCOME BEFORE EXTRAORDINARY ITEMS	316,675,092	524,288,027	427,787,906	364,973,659	309,393,582	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 316,675,092	$ 524,288,027	$ 427,787,906	$ 364,973,659	$ 309,393,582	46
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 1,480,471,857	$ 956,192,008	$ 579,961,236	$ 501,680,906	$ 439,209,440	47
BALANCE TRANSFERRED FROM INCOME	316,650,919	524,279,849	427,777,810	364,944,790	309,344,537	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	51,545,380	78,998,038	80,008,969	50
-COMMON STOCK	-	-	258	207,828,164	186,864,102	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	1,199-	38,259-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,797,122,776	1,480,471,857	956,192,008	579,961,236	501,680,906	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	196,644	172,471	164,293	153,997	125,128	55
TOTAL RETAINED EARNINGS, END OF YEAR	$ 1,797,319,420	$ 1,480,644,328	$ 956,356,301	$ 580,115,232	$ 501,806,034	56
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	2.87	1.69	1.18	1.75	1.04	57
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	48.5	47.8	49.3	52.1	47.7	58
PREFERRED STOCK	9.6	10.5	11.9	13.6	13.4	59
COMMON STOCK AND OTHER PAID-IN CAPITAL	18.8	20.8	23.6	24.3	28.4	60
RETAINED EARNINGS	22.9	20.7	15.1	9.8	10.3	61
LONG-TERM DEBT % OF GROSS UTILITY PLANT	43.6	41.9	42.9	47.5	41.5	62
ACCUM PROVISION FOR DEPR % OF UTILITY PLT	10.5	10.4	10.8	11.3	12.1	63
SELECTED INCOME ACCOUNT RELATIONSHIPS						
ELECTRIC OPERATING REVENUES % OF TOTAL OPERATING REVENUES	81.2	79.2	76.9	76.2	77.2	64
PERCENT OF ELECTRIC OPERATING REVENUES						
ELECTRIC OPERATION AND MAINTENANCE	44.0	48.4	54.1	59.2	60.1	65
ELECTRIC DEPRECIATION AND AMORTIZATION	4.8	4.4	3.8	3.8	4.1	66
TOTAL INCOME TAXES-ELECTRIC, OPERATING	15.0	13.0	11.2	6.0	5.9	67
OTHER TAXES-ELECTRIC, OPERATING	14.2	13.3	13.2	14.0	13.1	68
TOTAL ELECTRIC OPERATING EXPENSE	78.1	79.3	82.5	83.2	83.3	69
ELECTRIC OPERATING INCOME	21.8	20.6	17.4	16.7	16.6	70
INTEREST EXPENSE						
PRETAX COVERAGE *	2.2	2.8	2.4	2.5	2.4	71
NET INCOME-PERCENT OF OPERATING REVENUES	15.9	24.7	20.3	19.3	18.0	72
DIVIDEND APPROPRIATIONS, COMMON STOCK % OF EARNINGS AVAILABLE FOR COMMON	-	-	-	72.6	74.9	73
PERCENT OF AVERAGE COMMON EQUITY EARNINGS AVAILABLE FOR COMMON STOCK	7.5 **	16.2 **	15.2 **	14.7	14.6	74

* LONG ISLAND LIGHTING COMPANY INCLUDES INTEREST ON TRUST OBLIGATIONS

** CALCULATION ASSUMES LONG ISLAND LIGHTING COMPANY'S PREFERRED DIVIDENDS ARE ACCRUED

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

LONG ISLAND LIGHTING COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 332,675,092	$ 524,288,027	$ 427,787,905	$ 364,973,659	$ 309,393,582
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	86,418,595	83,664,214	71,390,748	64,477,554	62,628,005
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	170,365,053	153,530,738	101,719,289	65,019,864	48,052,657
4	INTEREST CAPITALIZED	251,389,566-	378,239,591-	310,120,980-	284,841,162-	201,376,733-
5	OTHER (NET)	21,847,415	28,649,645	24,726,099	13,166,782	13,608,107
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	359,916,589	411,893,033	315,503,061	222,796,697	232,305,619
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	359,916,589	411,893,033	315,503,061	222,796,697	232,305,619
10	LESS DIVIDENDS: PREFERRED	-	-	51,545,379	78,998,037	60,008,969
11	COMMON	-	-	258	207,628,164	186,864,102
12	NET FUNDS FROM INTERNAL SOURCES	359,916,589	411,893,033	263,957,424	63,829,504-	14,567,452-
	EXTERNAL SOURCES					
13	LONG TERM DEBT	1,225,000,000	503,729,554	264,500,000	685,000,000	217,200,000
14	PREFERRED STOCK	-	-	-	171,768,990	76,120,614
15	COMMON STOCK	457,171	2,180,427-	63,584,811	54,351,541	292,528,300
16	NET INCREASE IN SHORT TERM DEBT	358,579,768	-	-	-	-
17	OTHER (NET)	-	54,292,006-	84,990,491-	175,039,568	145,692,004
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	1,584,036,939	447,257,121	243,094,320	1,086,160,099	731,540,918
20	OTHER SOURCES (NET)	123,452,527	1,204,313	291,479,720	37,755,964	96,271,606
21						
22						
23	TOTAL FUNDS PROVIDED	$ 2,067,406,055	$ 860,354,467	$ 798,531,464	$ 1,060,086,559	$ 813,245,072
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	ELECTRIC PLANT	$ 98,807,284	$ 64,819,829	$ 44,603,222	$ 66,684,250	$ 73,120,877
25	NUCLEAR PLANT	903,794,431	832,200,015	904,210,329	655,484,188	647,051,213
26	NUCLEAR FUEL	478,934,922-	9,574,555	9,089,555	91,839-	79,415
27	GAS PLANT	30,199,545	21,200,071	12,742,460	18,557,021	22,386,672
28	LIQUEFIED NATURAL GAS PLANT	2,701,918	548,873	316,727	390,164	231,072
29	STEAM PLANT	-	-	-	-	-
30	NON-UTILITY PLANT	10	-	-	-	-
31	OTHER	-	27,159,893-	49,908,769-	158,652,923	145,692,004
32	TOTAL GROSS ADDITIONS	556,568,266	901,183,450	921,053,514	899,676,707	888,561,253
33	LESS INTEREST CAPITALIZED	251,389,566	378,239,591	310,120,980	284,841,162	201,376,733
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	305,178,700	522,943,859	610,932,534	614,835,545	687,184,520
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	552,786,632	149,947,206	107,056,611	107,052,046	72,047,847
36	PREFERRED STOCK	18,049,777	800	40,729,602	14,323,300	12,612,700
37	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
39	OTHER (NET)	634,091,959	-	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	1,204,928,368	149,948,006	147,786,213	121,375,346	84,660,547
42	OTHER USES (NET)	557,298,987	187,462,602	39,812,717	323,875,668	41,400,005
43						
44						
45	TOTAL FUNDS APPLIED	$ 2,067,406,055	$ 860,354,467	$ 798,531,464	$ 1,060,086,559	$ 813,245,072

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

LONG ISLAND LIGHTING COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO.
ELECTRIC OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 744,897,904	$ 772,861,328	$ 752,123,226	$ 674,190,516	$ 608,384,188	1
COMMERCIAL AND INDUSTRIAL	804,387,340	844,636,179	796,542,942	694,038,218	639,359,789	2
PUBLIC STREET AND HIGHWAY LIGHTING	16,517,420	18,675,055	19,003,416	17,319,828	16,779,259	3
OTHER PUBLIC AUTHORITIES	20,446,446	25,755,288	23,985,547	21,137,977	19,384,274	4
RAILROADS AND RAILWAYS	-	-	-	-	-	5
INTERDEPARTMENTAL	232,792	424,870	303,010	417,644	802,307	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	1,586,481,902	1,662,352,720	1,591,958,141	1,407,104,183	1,284,709,817	7
RESALE	11,160,228	13,025,438	24,187,105	25,985,075	30,709,237	8
TOTAL REVENUES FROM ELECTRIC SALES	1,597,642,130	1,675,378,158	1,616,145,246	1,433,089,258	1,315,419,054	9
OTHER ELECTRIC OPERATING REVENUES	14,379,841	4,012,955	2,445,589-	3,275,814	5,898,100	10
TOTAL ELECTRIC OPERATING REVENUES	$ 1,612,021,971	$ 1,679,391,113	$ 1,613,699,657	$ 1,436,365,072	$ 1,321,317,154	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	6,251,168	5,970,093	6,000,314	5,899,768	5,557,374	12
COMMERCIAL AND INDUSTRIAL	7,712,786	7,368,337	7,129,396	6,797,032	6,523,803	13
PUBLIC STREET AND HIGHWAY LIGHTING	180,225	178,205	182,237	181,431	181,560	14
OTHER PUBLIC AUTHORITIES	245,169	271,714	258,345	251,707	241,889	15
RAILROADS AND RAILWAYS	-	-	-	-	-	16
INTERDEPARTMENTAL	4,665	8,543	6,538	9,096	14,994	17
TOTAL SALES TO ULTIMATE CONSUMERS	14,394,013	13,796,892	13,576,830	13,139,034	12,519,621	18
RESALE	248,146	227,382	424,774	513,510	566,545	19
TOTAL KILOWATT-HOUR SALES	14,642,159	14,024,274	14,001,604	13,652,543	13,086,166	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	861,011	850,683	840,843	833,164	825,743	21
COMMERCIAL AND INDUSTRIAL	93,228	90,548	88,459	86,687	85,016	22
PUBLIC STREET AND HIGHWAY LIGHTING	4,254	4,225	4,172	4,100	4,199	23
OTHER PUBLIC AUTHORITIES	105	164	164	166	166	24
RAILROADS AND RAILWAYS	-	-	-	-	-	25
INTERDEPARTMENTAL	1	-	-	-	-	26
TOTAL ULTIMATE CONSUMERS	958,598	945,620	933,638	924,116	915,120	27
RESALE	3	3	3	3	4	28
TOTAL CUSTOMERS	958,601	945,623	933,641	924,119	915,124	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 865.14	$ 908.52	$ 894.49	$ 809.19	$ 736.77	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	7,260	7,018	7,136	7,081	6,730	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	11.92	12.95	12.53	11.43	10.95	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 8,628.17	$ 9,328.05	$ 9,004.66	$ 8,006.25	$ 7,520.46	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	82,730	81,375	80,596	78,409	76,736	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	10.43	11.46	11.17	10.21	9.80	35
ELECTRIC OPERATION AND MAINTENANCE EXPENSES						
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 298,267,171	$ 497,823,276	$ 552,577,713	$ 503,064,680	$ 491,081,115	36
OTHER	64,612,358	41,013,270	35,349,140	40,840,472	41,594,379	37
TOTAL STEAM POWER EXPENSES	362,879,529	538,836,546	587,926,853	543,905,152	532,675,494	38
NUCLEAR POWER						
FUEL	-	-	-	-	-	39
OTHER	-	-	-	-	-	40
TOTAL NUCLEAR POWER EXPENSES	-	-	-	-	-	41
HYDRAULIC POWER						
WATER FOR POWER	-	-	-	-	-	42
OTHER	-	-	-	-	-	43
TOTAL HYDRAULIC POWER EXPENSES	-	-	-	-	-	44
OTHER POWER GENERATION						
FUEL	22,825,337	16,761,116	16,285,582	13,784,155	10,320,460	45
OTHER -	8,926,445	5,826,880	5,818,713	5,543,631	3,820,528	46
TOTAL OTHER POWER GENERATION EXPENSE	31,751,782	22,587,996	22,104,295	19,327,786	14,140,988	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	134,647,030	113,090,171	122,207,517	127,027,974	105,422,578	48
OTHER	2,155,336	2,074,755	2,058,720	1,607,469	1,287,478	49
TOTAL OTHER POWER SUPPLY EXPENSES	136,802,366	115,164,926	124,266,237	128,635,443	106,710,056	50
TOTAL POWER PRODUCTION EXPENSES	531,433,677	676,589,468	734,297,385	691,868,381	653,526,538	51
TRANSMISSION EXPENSES	18,019,305	13,934,426	11,093,572	14,336,629	11,278,553	52
DISTRIBUTION EXPENSES	50,764,736	39,336,791	36,431,702	40,413,535	40,070,121	53
CUSTOMER ACCOUNTS EXPENSES	29,713,333	29,051,016	27,443,643	29,981,775	27,790,273	54
SALES EXPENSES	8,328,981	1,509,514	4,278,626	7,526,984	4,988,758	55
ADMINISTRATIVE AND GENERAL	71,438,056	53,672,247	60,063,436	66,715,960	56,980,874	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 709,698,088	$ 814,093,467	$ 873,608,364	$ 850,843,264	$ 794,635,117	57
ELECTRIC UTILITY PLANT*						
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	-	-	-	-	-	58
PRODUCTION PLANT						
STEAM	600,989,067	601,816,077	599,826,947	592,421,554	584,757,759	59
NUCLEAR	-	-	-	-	-	60
HYDRAULIC	-	-	-	-	-	61
OTHER	118,010,229	116,980,869	116,964,910	118,200,118	117,781,985	62
TRANSMISSION PLANT	398,390,879	392,160,214	364,130,332	358,361,369	348,126,207	63
DISTRIBUTION PLANT	775,044,985	726,612,448	706,609,534	686,286,544	653,875,667	64
GENERAL PLANT	38,992,926	36,802,122	33,889,902	33,063,366	32,150,568	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	170,520,786	189,625,960	167,384,912	155,665,202	139,029,347	68
TOTAL ELECTRIC PLANT IN SERVICE	2,101,948,872	2,063,996,690	1,988,806,537	1,943,998,153	1,875,721,503	69
PLANT LEASED TO OTHERS	-	-	-	-	-	70
PLANT HELD FOR FUTURE USE	17,379,410	8,904,687	10,157,897	10,157,897	11,713,797	71
CONSTRUCTION WORK IN PROGRESS	6,052,247,523	5,584,466,706	4,795,829,698	4,004,747,381	3,207,669,363	72
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	73
TOTAL ELECTRIC UTILITY PLANT	8,171,575,805	7,657,368,083	6,794,794,131	5,958,903,431	5,095,104,663	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	753,249,741	698,348,824	644,491,356	593,540,712	546,966,625	75
NET ELECTRIC UTILITY PLANT	$ 7,418,326,064	$ 6,959,019,259	$ 6,150,302,775	$ 5,365,362,719	$ 4,548,138,038	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,063,996,666	$ 1,988,806,537	$ 1,943,998,153	$ 1,875,721,503	$ 1,804,917,607	77
ADDITIONS	82,413,009	170,484,930	61,258,254	75,822,664	81,701,792	78
RETIREMENTS	4,964,932	4,652,794	6,051,041	8,975,658	11,004,111	79
TRANSFERS AND ADJUSTMENTS	39,495,871-	90,641,983-	10,398,829-	1,429,644	106,215	80
PLANT IN SERVICE END OF YEAR	$ 2,101,948,872	$ 2,063,996,690	$ 1,988,806,538	$ 1,943,998,153	$ 1,875,721,503	81

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

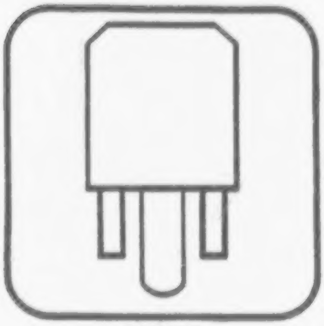
DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

YEARS ENDED DECEMBER 31

LONG ISLAND LIGHTING COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES - ULTIMATE CONSUMERS	$ 1,600,861,743	$ 1,666,365,675	$ 1,589,512,552	$ 1,410,379,997	$ 1,290,607,917
2	SALES-ULTIMATE CONSUMERS (000 KWH)	14,394,013	13,796,892	13,576,829	13,139,033	12,519,620
				DOLLAR AMOUNTS		
3	FUEL AND PURCHASED POWER	$ 449,383,146	$ 618,364,862	$ 671,460,009	$ 621,547,694	$ 583,470,980
4	WAGES AND BENEFITS	127,756,515	95,836,970	105,028,420	111,561,435	104,978,425
5	OTHER OPERATION AND MAINTENANCE EXPENSES	125,920,782	90,353,139	77,084,359	94,891,511	82,261,229
6	DEPRECIATION AND AMORTIZATION EXPENSES	77,473,475	75,486,488	62,856,687	55,648,543	54,202,702
7	INCOME TAXES - OPERATING	242,706,619	218,520,740	182,137,743	87,466,124	78,034,445
8	OTHER TAXES - OPERATING	230,508,300	224,376,077	213,691,217	201,841,488	173,808,343
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	254,710,916	158,696,569	114,901,338	103,653,468	90,998,290
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	25,115,958 **	32,750,134 **	35,616,468 **	29,984,167	26,131,566
11	EARNINGS AVAILABLE FOR COMMON EQUITY	67,286,031	151,980,696	126,736,311	103,785,567	96,721,937
12	TOTAL	$ 1,600,861,743	$ 1,666,365,675	$ 1,589,512,552	$ 1,410,379,997	$ 1,290,607,917
				PERCENT OF REVENUES - ULTIMATE CONSUMERS		
13	FUEL AND PURCHASED POWER	28.1	37.1	42.2	44.1	45.2
14	WAGES AND BENEFITS	8.0	5.8	6.6	7.9	8.1
15	OTHER OPERATION AND MAINTENANCE EXPENSES	7.9	5.4	4.8	6.7	6.4
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.8	4.5	4.0	3.9	4.2
17	INCOME TAXES - OPERATING	15.2	13.1	11.5	6.2	6.0
18	OTHER TAXES - OPERATING	14.4	13.5	13.4	14.3	13.5
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	15.9	9.5	7.2	7.3	7.1
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.6 **	2.0 **	2.2 **	2.1	2.0
21	EARNINGS AVAILABLE FOR COMMON EQUITY	4.2	9.1	8.0	7.4	7.5
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER KWH		
23	FUEL AND PURCHASED POWER	3.12	4.48	4.95	4.73	4.66
24	WAGES AND BENEFITS	0.89	0.69	0.77	0.85	0.84
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.87	0.65	0.57	0.72	0.66
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.54	0.55	0.46	0.42	0.43
27	INCOME TAXES - OPERATING	1.69	1.58	1.34	0.67	0.62
28	OTHER TAXES - OPERATING	1.60	1.63	1.57	1.54	1.39
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	1.77	1.15	0.85	0.79	0.73
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.17 **	0.24 **	0.26 **	0.23	0.21
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.47	1.10	0.93	0.79	0.77
32	TOTAL	11.12	12.08	11.71	10.73	10.31
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	96.02	96.07	95.74	95.21	94.58

** CALCULATION ASSUMES LONG ISLAND LIGHTING COMPANY'S PREFERRED DIVIDENDS ARE ACCRUED



POWER

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS, YEARS ENDED DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 4,227,176,928	$ 3,925,477,016	$ 3,662,914,391	$ 3,250,399,868	$ 2,745,027,810
2	ACCUM. PROVISION FOR DEPR. AND AMORT	697,798,800	620,151,836	554,134,960	504,171,691	471,555,646
3	NET ELECTRIC UTILITY PLANT	3,529,378,128	3,305,325,180	3,108,779,431	2,746,228,177	2,273,472,164
4	OTHER UTILITY PLANT	243,207,442	227,168,745	207,894,690	191,187,221	188,220,361
5	ACCUM. PROVISION FOR DEPR. AND AMORT	72,942,900	68,133,811	63,773,310	58,946,367	54,915,287
6	NET OTHER UTILITY PLANT	170,264,542	159,034,934	144,121,380	132,240,854	133,305,074
7	TOTAL UTILITY PLANT	4,470,384,370	4,152,645,761	3,870,809,081	3,441,587,089	2,933,248,171
8	ACCUM. PROVISION FOR DEPR. AND AMORT	770,741,700	688,285,647	617,908,270	563,118,058	526,470,933
9	NET TOTAL UTILITY PLANT	3,699,642,670	3,464,360,114	3,252,900,811	2,878,469,031	2,406,777,238
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	3,158,853	3,111,851	3,122,221	3,531,070	3,508,710
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	212,000	212,000	212,000	212,000	212,000
13	OTHER INVESTMENTS	7,790,000	7,790,000	13,890,000	14,140,000	15,590,000
14	SPECIAL FUNDS	283,818	264,502	272,814	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	11,444,671	11,378,353	17,497,035	17,883,070	19,310,710
16	CASH	5,997,464-	5,999,167-	6,892,778-	4,185,394	5,513,576
17	SPECIAL DEPOSITS	4,822,817	13,598,507	70,192,118	10,245,654	32,721,930
18	WORKING FUNDS	1,556,894	5,020,153	809,342	1,841,077	2,099,797
19	TEMPORARY CASH INVESTMENTS	14,600,000	8,500,000	10,300,000	-	-
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	125,461,521	116,240,072	114,588,322	93,697,392	89,099,941
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	110,786	71,872	63,817	-
22	MATERIALS AND SUPPLIES	64,845	95,768,725	98,758,149	66,904,705	64,019,122
23	PREPAYMENTS	27,329,912	20,189,966	20,033,847	17,060,955	13,004,185
24	OTHER CURRENT AND ACCRUED ASSETS	93,967,831	1,119,252	2,934,515	844,021	2,847,440
25	TOTAL CURRENT AND ACCRUED ASSETS	261,806,356	254,548,294	310,795,387	194,843,015	209,305,991
26	UNAMORTIZED DEBT EXPENSE	64,762,184	60,525,650	26,012,922	22,748,892	12,792,298
27	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
28	PREL. SURVEY + INVESTIGATION CHARGES	3,127,972	1,324,486	2,267,221	2,970,726	3,187,773
29	CLEARING ACCOUNTS	127,331-	38,245-	505,507-	799,609	29,250
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	431,679	183,890-	27,393	383,833-	531,444-
32	ACCUMULATED DEFERRED INCOME TAXES	19,010,984	15,200,967	22,066,677	10,082,060	12,790,385
33	OTHER DEFERRED DEBITS	106,866,434	109,255,294	40,886,294	15,302,676	38,698,200
34	TOTAL DEFERRED DEBITS	194,071,922	186,084,262	90,755,000	51,520,130	66,966,462
35	TOTAL ASSETS AND OTHER DEBITS	$ 4,166,965,619	$ 3,916,371,023	$ 3,671,948,233	$ 3,142,715,246	$ 2,702,360,401
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 360,408,069	$ 360,046,582	$ 347,182,736	$ 323,344,778	$ 264,592,369
37	PREFERRED STOCK ISSUED	217,970,000	252,620,000	277,300,000	278,950,000	236,075,000
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	481,803,192	480,349,216	447,719,373	406,471,565	283,850,783
41	OTHER PAID-IN CAPITAL	29,317,079	29,346,985	29,469,981	29,480,279	29,409,747
42	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
43	CAPITAL STOCK EXPENSE	7,756,111-	8,173,925-	8,283,296-	8,165,963-	6,722,744-
44	RETAINED EARNINGS	534,190,118	469,661,779	418,472,383	352,524,176	317,464,842
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
46	REACQUIRED CAPITAL STOCK	-	-	-	-	-
47	TOTAL PROPRIETARY CAPITAL	1,615,932,347	1,583,850,637	1,511,861,177	1,382,604,835	1,124,669,997
48	BONDS (LESS BONDS REACQUIRED)	1,434,912,000	1,274,480,000	1,236,134,000	1,060,940,000	965,061,000
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	483,194,722	481,741,631	404,902,154	222,125,000	126,575,000
51	NET UNAMORTIZED PREMIUM + DISCOUNT	2,499,583-	1,615,196-	1,952,077-	983,744-	497,454-
52	TOTAL LONG-TERM DEBT	1,915,607,139	1,754,606,435	1,639,084,077	1,282,081,256	1,091,138,546
53	NOTES PAYABLE	110,600,000	118,300,000	60,100,000	97,750,000	96,650,000
54	ACCOUNTS PAYABLE	61,422,103	75,651,462	104,286,625	131,925,074	152,053,763
55	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
56	CUSTOMER DEPOSITS	3,534,337	3,339,953	2,846,878	2,488,420	2,346,693
57	TAXES ACCRUED	14,619,413	5,045,133	9,655,766	6,051,983	12,045,918
58	INTEREST ACCRUED	54,878,027	51,949,517	53,418,781	34,989,042	32,550,646
59	DIVIDENDS DECLARED	4,516,359	6,090,181	6,816,190	6,752,068	5,528,909
60	TAX COLLECTIONS PAYABLE	3,955,316	1,909,114	2,669,602	2,200,247	1,951,073
61	OTHER CURRENT AND ACCRUED LIABILITIES	42,646,225	43,357,963	40,811,318	35,126,449	41,111,680
62	TOTAL CURRENT AND ACCRUED LIABILITIES	296,171,780	305,643,323	280,605,160	317,283,251	344,238,682
63	CUSTOMER ADVANCES FOR CONSTRUCTION	5,272,100	5,169,600	4,444,024	1,097,231	1,030,956
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	106,435,942	75,438,060	73,711,247	51,023,498	42,180,793
66	OTHER DEFERRED CREDITS	13,834,649	16,250,546	34,931,067	12,698,774	14,359,175
	ACCUMULATED DEFERRED INCOME TAXES:					
67	ACCELERATED AMORTIZATION	1,654,454	2,129,858	2,662,417	3,264,821	3,989,751
68	LIBERALIZED DEPRECIATION	151,755,947	112,908,540	71,494,811	43,527,821	31,001,247
69	OTHER	60,101,261	60,174,024	52,954,253	48,933,759	49,551,254
70	TOTAL DEFERRED CREDITS	339,054,353	272,070,628	240,197,819	160,545,904	142,113,176
71	PROPERTY INSURANCE RESERVE	-	-	-	-	-
72	INJURIES AND DAMAGE RESERVE	200,000	200,000	200,000	200,000	200,000
73	PENSION AND BENEFITS RESERVE	-	-	-	-	-
74	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
75	TOTAL OPERATING RESERVES	200,000	200,000	200,000	200,000	200,000
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 4,166,965,619	$ 3,916,371,023	$ 3,671,948,233	$ 3,142,715,246	$ 2,702,360,401

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

NEW YORK STATE ELECTRIC & GAS CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS						
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 1,098,089,257	$ 1,051,578,366	$ 921,248,100	$ 785,723,373	$ 768,716,991	1
OPERATION AND MAINTENANCE EXPENSE	511,562,509	539,946,663	481,848,174	420,708,997	432,077,846	2
DEPRECIATION EXPENSE	93,413,538	92,248,860	60,368,896	52,209,519	48,707,301	3
AMORTIZATION	3,390,518	1,913,919	556,267	466,424	507,594	4
TAXES OTHER THAN INCOME TAXES	106,452,364	97,980,257	85,856,035	75,120,302	68,915,254	5
INCOME TAXES	56,734,434	9,278,082	26,858,932	29,413,886	15,501,539	6
PROVISION FOR DEFERRED INCOME TAXES	71,059,647	84,960,774	68,575,704	44,523,163	40,135,924	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	8,536,832-	9,813,642-	15,678,509-	4,827,382-	5,504,174-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	8,388-	48,744-	213-	9,322-	4,572-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	17-	3,093	8,346	-	-	11
TOTAL OPERATING EXPENSES	834,067,863	816,471,263	708,391,632	617,605,587	600,336,812	12
NET OPERATING REVENUES	264,021,394	235,107,103	212,856,468	168,117,786	168,380,179	13
INC. FROM LSD. PLT. & OTHER OPER. INC	-	-	-	-	-	14
ELECTRIC UTILITY OPERATING INCOME	264,021,394	235,107,103	212,856,468	168,117,786	168,380,179	15
OTHER UTILITY OPERATING INCOME	19,466,644	11,893,156	17,801,067	5,828,027	8,120,592	16
TOTAL UTILITY OPERATING INCOME	283,488,038	247,000,259	230,657,535	173,945,813	176,500,771	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	12,724-	20,351-	35,480-	20,040-	56,844-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	386,567	652,603	2,827,000	2,097,082	8,277,873	22
ALLOWANCE FOR CONSTRUCTION FUNDS	111,871,903	122,719,138	104,283,980	91,641,259	54,465,618	23
MISCELLANEOUS NONOPERATING INCOME	2,392,258-	731,889-	22,408,631	426,638-	4,458,757	24
GAIN ON DISPOSITION OF PROPERTY	502,710	105,201	19,509	17,168	14,951	25
TOTAL OTHER INCOME	110,356,198	122,724,702	129,483,140	93,308,831	67,160,355	26
TOTAL INCOME	393,844,236	369,724,961	360,140,675	267,254,644	243,661,126	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	128,978	130,728	132,812	130,391	118,284	28
INCOME TAXES-NONOPERATING	32,381,687-	25,598,203-	33,249,000-	26,866,000-	11,446,000-	29
LOSS ON DISPOSITION OF PROPERTY	19,793	73,717	15,509	25,131	-	30
MISCELLANEOUS AMORTIZATION	5,838	1,541	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	1,695,584	165,762-	11,494,586	749,039	628,311	32
TOTAL INCOME DEDUCTIONS	30,511,494-	25,555,979-	21,606,093-	25,961,439-	10,699,405-	33
INCOME BEFORE INTEREST CHARGES	424,355,730	395,280,940	381,746,768	293,216,083	254,360,531	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	183,841,960	174,584,406	158,720,760	129,651,585	101,959,842	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	4,044,126	2,811,458	2,816,707	1,983,164	1,370,797	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	55,998-	61,598-	68,375-	76,331-	76,381-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	8,031,986	9,513,509	8,901,582	4,977,605	6,031,211	39
TOTAL INTEREST CHARGES	195,862,053	186,847,775	170,370,674	136,536,023	109,265,469	40
INCOME BEFORE EXTRAORDINARY ITEMS	228,493,677	208,433,165	211,376,094	156,680,060	145,095,062	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 228,493,677	$ 208,433,165	$ 211,376,094	$ 156,680,060	$ 145,095,062	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 469,661,779	$ 418,472,383	$ 352,524,176	$ 317,464,842	$ 270,464,490	47
BALANCE TRANSFERRED FROM INCOME	228,493,677	208,433,165	211,376,094	156,680,060	145,095,062	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	20,103,911	25,225,720	27,370,512	23,466,059	22,610,168	50
-COMMON STOCK	140,432,734	132,018,049	118,057,375	98,154,667	75,484,542	51
ADJUSTMENTS TO RETAINED EARNINGS	3,428,693-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	534,190,118	469,661,779	418,472,383	352,524,176	317,464,842	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS, END OF YEAR	$ 534,190,118	$ 469,661,779	$ 418,472,383	$ 352,524,176	$ 317,464,842	56
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	0.88	0.83	1.11	0.61	0.61	57
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	54.2	52.5	52.0	48.1	49.2	58
PREFERRED STOCK	6.1	7.5	8.8	10.4	10.6	59
COMMON STOCK AND OTHER PAID-IN CAPITAL	24.4	25.8	25.8	28.1	25.7	60
RETAINED EARNINGS	15.1	14.0	13.2	13.2	14.3	61
LONG-TERM DEBT % OF GROSS UTILITY PLANT	42.8	42.2	42.3	37.2	37.1	62
ACCUM PROVISION FOR DEPR % OF UTILITY PLT	17.2	16.5	15.9	16.3	17.9	63
SELECTED INCOME ACCOUNT RELATIONSHIPS						
ELECTRIC OPERATING REVENUES % OF TOTAL OPERATING REVENUES	85.9	84.6	81.5	79.0	80.6	64
PERCENT OF ELECTRIC OPERATING REVENUES						
ELECTRIC OPERATION AND MAINTENANCE	46.5	51.3	52.3	53.5	56.2	65
ELECTRIC DEPRECIATION AND AMORTIZATION	8.8	8.9	6.6	6.7	6.4	66
TOTAL INCOME TAXES-ELECTRIC, OPERATING	10.8	8.0	8.6	8.7	6.5	67
OTHER TAXES-ELECTRIC, OPERATING	9.6	9.3	9.3	9.5	8.9	68
TOTAL ELECTRIC OPERATING EXPENSE	75.9	77.6	76.9	78.8	78.0	69
ELECTRIC OPERATING INCOME	24.0	22.3	23.1	21.2	21.9	70
INTEREST EXPENSE						
PRETAX COVERAGE	2.6	2.4	2.5	2.4	2.7	71
NET INCOME-PERCENT OF OPERATING REVENUES	17.8	16.7	18.7	15.7	15.2	72
DIVIDEND APPROPRIATIONS,COMMON STOCK % OF EARNINGS AVAILABLE FOR COMMON	67.3	72.0	64.1	73.6	61.6	73
PERCENT OF AVERAGE COMMON EQUITY: EARNINGS AVAILABLE FOR COMMON STOCK	15.2	14.2	15.7	13.3	15.2	74

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 228,493,677	$ 208,433,165	$ 211,376,094	$ 156,680,060	$ 145,095,062
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	123,719,744	119,430,354	76,856,339	70,133,001	59,887,950
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	98,609,243	93,070,230	75,762,859	34,525,323	34,431,607
4	INTEREST CAPITALIZED	102,003,462-	82,534,289-	104,263,980-	91,641,259-	54,465,618-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	348,819,202	338,399,460	259,731,312	169,697,125	184,949,001
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	348,819,202	338,399,460	259,731,312	169,697,125	184,949,001
10	LESS DIVIDENDS: PREFERRED	20,103,911	25,225,720	27,370,512	23,466,059	22,610,168
11	COMMON	140,432,734	132,018,049	118,057,375	98,154,667	75,484,542
12	NET FUNDS FROM INTERNAL SOURCES	188,282,557	181,155,691	114,303,425	48,076,399	86,854,291
	EXTERNAL SOURCES					
13	LONG TERM DEBT	275,000,000	408,000,000	374,000,000	164,350,000	336,000,000
14	PREFERRED STOCK	-	-	-	45,000,000	-
15	COMMON STOCK	1,815,461	45,493,854	65,085,766	181,375,755	119,186,035
16	NET INCREASE IN SHORT TERM DEBT	-	58,200,000	-	33,750,000	61,650,000
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	276,815,461	511,693,854	439,085,766	424,475,755	516,836,035
20	OTHER SOURCES (NET)	-	23,085,256	-	4,048,390	36,745,108
21						
22						
23	TOTAL FUNDS PROVIDED	$ 465,098,018	$ 715,934,801	$ 553,389,191	$ 476,600,544	$ 640,435,434
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	ELECTRIC PLANT	$ 325,002,913	$ 323,127,123	$ 438,152,516	$ 517,980,326	$ 553,919,971
25	NUCLEAR PLANT	-	-	-	-	-
26	NUCLEAR FUEL	2,820,236	6,154,719	2,397,024	5,124,379	565,130-
27	GAS PLANT	10,689,163	8,453,214	5,937,222	5,269,574	5,803,870
28	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
29	STEAM PLANT	-	-	-	-	-
30	NON-UTILITY PLANT	-	-	-	-	-
31	OTHER	-	-	-	-	-
32	TOTAL GROSS ADDITIONS	338,512,312	337,735,056	446,486,762	528,374,279	559,158,711
33	LESS INTEREST CAPITALIZED	102,003,462	82,534,289	104,263,980	91,641,259	54,465,618
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	236,508,850	255,200,767	342,222,782	436,733,020	504,693,093
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	114,368,000	300,754,000	25,056,000	5,571,000	107,086,000
36	PREFERRED STOCK	34,850,000	24,680,000	1,650,000	2,125,000	10,737,500
37	REDEMPTION OF CAPITAL STOCK	3,428,693	-	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	7,700,000	-	37,650,000	-	-
39	OTHER (NET)	-	-	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	160,346,693	325,434,000	64,356,000	7,696,000	117,823,500
42	OTHER USES (NET)	68,242,475	135,300,034	146,810,409	32,171,524	17,918,841
43						
44						
45	TOTAL FUNDS APPLIED	$ 465,098,018	$ 715,934,801	$ 553,389,191	$ 476,600,544	$ 640,435,434

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO.
	ELECTRIC OPERATING REVENUES					
REVENUES						
RESIDENTIAL	$ 457,131,657	$ 401,344,784	$ 369,393,029	$ 335,284,285	$ 325,123,707	1
COMMERCIAL AND INDUSTRIAL	422,618,806	361,742,593	351,434,928	302,544,821	292,387,863	2
PUBLIC STREET AND HIGHWAY LIGHTING	14,083,485	12,545,925	11,427,658	9,979,837	9,649,025	3
OTHER PUBLIC AUTHORITIES	93,437,263	79,183,498	74,553,182	64,337,203	61,444,779	4
RAILROADS AND RAILWAYS	-	-	-	-	-	5
INTERDEPARTMENTAL	1,660,085	1,450,524	1,379,692	1,173,012	1,263,128	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	988,931,296	856,267,324	808,188,489	713,318,758	689,868,502	7
RESALE	95,707,207	171,072,873	107,209,213	58,238,945	64,780,318	8
TOTAL REVENUES FROM ELECTRIC SALES	1,084,638,503	1,027,340,197	915,397,702	771,557,703	754,648,820	9
OTHER ELECTRIC OPERATING REVENUES	13,450,754	24,238,170	5,850,398	14,165,670	14,068,171	10
TOTAL ELECTRIC OPERATING REVENUES	$ 1,098,089,257	$ 1,051,578,367	$ 921,248,100	$ 785,723,373	$ 768,716,991	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	4,790,617	4,615,060	4,574,594	4,398,262	4,412,197	12
COMMERCIAL AND INDUSTRIAL	5,671,145	5,488,575	5,443,392	5,226,423	5,113,546	13
PUBLIC STREET AND HIGHWAY LIGHTING	100,417	101,327	103,181	104,521	107,280	14
OTHER PUBLIC AUTHORITIES	1,223,528	1,179,166	1,144,370	1,106,369	1,071,527	15
RAILROADS AND RAILWAYS	-	-	-	-	-	16
INTERDEPARTMENTAL	21,289	21,191	21,113	20,089	21,817	17
TOTAL SALES TO ULTIMATE CONSUMERS	11,806,995	11,405,319	11,286,649	10,855,663	10,726,367	18
RESALE	3,545,197	5,020,598	2,158,107	1,429,338	1,827,106	19
TOTAL KILOWATT-HOUR SALES	15,352,192	16,425,917	14,444,756	12,285,001	12,553,473	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	635,536	624,751	616,053	608,884	603,904	21
COMMERCIAL AND INDUSTRIAL	65,956	64,757	63,476	62,043	60,822	22
PUBLIC STREET AND HIGHWAY LIGHTING	556	1,036	989	935	1,159	23
OTHER PUBLIC AUTHORITIES	9,188	9,100	8,896	8,790	8,746	24
RAILROADS AND RAILWAYS	-	-	-	-	-	25
INTERDEPARTMENTAL	-	-	-	-	-	26
TOTAL ULTIMATE CONSUMERS	711,236	699,644	689,414	680,652	674,631	27
RESALE	9	10	10	10	10	28
TOTAL CUSTOMERS	711,245	699,654	689,424	680,662	674,641	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 719.29	$ 642.41	$ 599.61	$ 550.65	$ 538.37	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	7,538	7,387	7,426	7,223	7,306	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	9.54	8.70	8.07	7.62	7.37	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 5,407.59	$ 5,586.15	$ 5,536.50	$ 4,876.37	$ 4,807.27	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	85,984	84,756	85,755	84,239	84,074	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	7.45	6.59	6.46	5.79	5.72	35
	ELECTRIC OPERATION AND MAINTENANCE EXPENSES					
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 238,350,597	$ 280,381,787	$ 227,974,926	$ 187,120,490	$ 200,850,960	36
OTHER	76,560,918	69,293,626	54,527,405	46,739,581	43,951,590	37
TOTAL STEAM POWER EXPENSES	314,911,515	349,675,413	282,502,331	233,860,071	244,802,550	38
NUCLEAR POWER						
FUEL	-	-	-	-	-	39
OTHER	-	-	-	-	-	40
TOTAL NUCLEAR POWER EXPENSES	-	-	-	-	-	41
HYDRAULIC POWER						
WATER FOR POWER	582	100	7,709	513	225	42
OTHER	1,137,240	1,177,026	933,982	952,731	1,055,635	43
TOTAL HYDRAULIC POWER EXPENSES	1,137,822	1,177,126	941,691	953,244	1,055,860	44
OTHER POWER GENERATION						
FUEL	20,072	14,939	23,071	27,449	38,099	45
OTHER	48,322	18,474	32,874	32,173	25,073	46
TOTAL OTHER POWER GENERATION EXPENSE	68,394	33,413	55,945	59,622	63,172	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	29,372,135	35,984,438	69,205,918	66,574,974	68,780,803	48
OTHER	2,787,174	2,378,778	3,798,621	2,436,007	2,357,244	49
TOTAL OTHER POWER SUPPLY EXPENSES	32,059,309	38,363,216	73,004,539	69,010,981	71,138,147	50
TOTAL POWER PRODUCTION EXPENSES	348,187,040	389,249,168	356,504,506	303,683,918	317,059,729	51
TRANSMISSION EXPENSES	22,438,012	23,450,140	15,093,162	13,381,876	13,023,289	52
DISTRIBUTION EXPENSES	49,522,467	46,119,740	42,494,379	39,111,101	36,494,975	53
CUSTOMER ACCOUNTS EXPENSES	19,324,654	18,332,530	17,896,936	16,863,120	16,632,252	54
SALES EXPENSES	8,928,778	7,054,261	6,188,145	5,255,454	4,491,748	55
ADMINISTRATIVE AND GENERAL	63,161,558	55,740,824	42,670,986	42,413,528	44,375,853	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 511,562,509	$ 539,946,663	$ 481,848,174	$ 420,708,997	$ 432,077,846	57
	ELECTRIC UTILITY PLANT*					
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	$ 1,499,492	$ 1,499,492	$ 114,934	$ 114,935	$ 114,755	58
PRODUCTION PLANT						
STEAM	1,575,324,017	1,545,955,100	1,514,351,051	536,860,008	506,411,519	59
NUCLEAR	-	-	-	-	-	60
HYDRAULIC	77,750,531	71,339,711	64,315,199	52,352,408	10,286,193	61
OTHER	766,472	1,147,946	1,147,946	1,147,946	1,143,526	62
TRANSMISSION PLANT	443,307,680	433,902,753	430,492,569	420,264,669	397,312,987	63
DISTRIBUTION PLANT	879,760,519	833,234,773	778,272,092	736,066,406	691,775,560	64
GENERAL PLANT	36,204,382	35,621,511	35,812,453	37,111,613	38,972,472	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	-	-	-	-	-	68
TOTAL ELECTRIC PLANT IN SERVICE	3,014,613,093	2,922,701,286	2,824,506,244	1,783,917,985	1,646,017,012	69
PLANT LEASED TO OTHERS	7,954,484	-	-	-	-	70
PLANT HELD FOR FUTURE USE	1,204,609,351	8,655,987	6,272,401	5,942,597	2,486,721	71
CONSTRUCTION WORK IN PROGRESS	-	994,119,743	832,135,746	1,460,539,286	1,096,524,077	72
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	73
TOTAL ELECTRIC UTILITY PLANT	4,227,176,928	3,925,477,016	3,662,914,391	3,250,399,868	2,745,027,810	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	697,798,800	620,151,836	554,134,960	504,171,691	471,555,646	75
NET ELECTRIC UTILITY PLANT	$ 3,529,378,128	$ 3,305,325,180	$ 3,108,779,431	$ 2,746,228,177	$ 2,273,472,164	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,922,701,286	$ 2,824,506,244	$ 1,783,917,985	$ 1,646,017,012	$ 1,548,646,913	77
ADDITIONS	101,720,411	117,385,506	1,053,199,092	153,383,434	110,981,981	78
RETIREMENTS	10,432,549	15,844,389	12,734,415	15,497,724	13,164,504	79
TRANSFERS AND ADJUSTMENTS	823,945	2,126,075-	123,582	15,263	447,378-	80
PLANT IN SERVICE END OF YEAR	$ 3,014,613,093	$ 2,922,701,286	$ 2,824,506,244	$ 1,783,917,985	$ 1,646,017,012	81

*EXCLUDES ALLOCATION OF COMMON PLANT

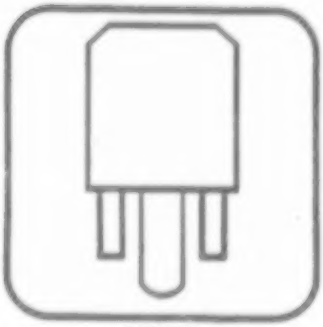
MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

YEARS ENDED DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES - ULTIMATE CONSUMERS	$ 1,002,382,050	$ 880,505,493	$ 814,038,887	$ 727,484,428	$ 703,938,673
2	SALES-ULTIMATE CONSUMERS (000 KWH)	11,806,996	11,405,319	11,288,849	10,855,663	10,726,366
				DOLLAR AMOUNTS		
3	FUEL AND PURCHASED POWER	$ 204,031,098	$ 223,926,952	$ 238,875,336	$ 229,300,627	$ 235,939,815
4	WAGES AND BENEFITS	111,250,932	103,901,079	93,369,194	87,142,150	80,595,481
5	OTHER OPERATION AND MAINTENANCE EXPENSES	129,084,690	114,800,071	88,117,382	78,404,761	79,974,800
6	DEPRECIATION AND AMORTIZATION EXPENSES	96,804,156	94,162,779	60,923,163	52,675,943	49,214,995
7	INCOME TAXES - OPERATING	119,257,249	84,425,214	79,756,127	69,109,667	50,133,289
8	OTHER TAXES - OPERATING	106,452,354	97,980,257	85,866,035	75,120,302	68,915,254
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	123,100,662	116,718,130	102,916,851	79,871,292	77,277,427
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	12,879,989	14,618,737	16,839,129	13,061,895	15,385,780
11	EARNINGS AVAILABLE FOR COMMON EQUITY	99,521,020	30,172,273	47,385,670	42,797,791	46,520,032
12	TOTAL	$ 1,002,382,050	$ 880,505,493	$ 814,038,887	$ 727,484,428	$ 703,938,673
				PERCENT OF REVENUES - ULTIMATE CONSUMERS		
13	FUEL AND PURCHASED POWER	20.4	25.4	29.3	31.5	33.5
14	WAGES AND BENEFITS	11.1	11.8	11.5	12.0	11.4
15	OTHER OPERATION AND MAINTENANCE EXPENSES	12.9	13.0	10.8	10.8	11.4
16	DEPRECIATION AND AMORTIZATION EXPENSES	9.7	10.7	7.5	7.2	7.0
17	INCOME TAXES - OPERATING	11.9	9.6	9.8	9.5	7.1
18	OTHER TAXES - OPERATING	10.6	11.1	10.5	10.3	9.8
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	12.3	13.3	12.6	11.0	11.0
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.3	1.7	2.1	1.8	2.2
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.9	3.4	5.8	5.9	6.6
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER KWH		
23	FUEL AND PURCHASED POWER	1.73	1.96	2.12	2.11	2.20
24	WAGES AND BENEFITS	0.94	0.91	0.83	0.80	0.75
25	OTHER OPERATION AND MAINTENANCE EXPENSES	1.09	1.00	0.78	0.72	0.75
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.82	0.83	0.54	0.49	0.46
27	INCOME TAXES - OPERATING	1.01	0.74	0.71	0.64	0.47
28	OTHER TAXES - OPERATING	0.90	0.86	0.76	0.69	0.64
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	1.04	1.02	0.91	0.74	0.72
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.11	0.13	0.15	0.12	0.14
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.84	0.26	0.42	0.39	0.43
32	TOTAL	8.49	7.72	7.21	6.70	6.56
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	* 96.93	96.96	96.91	95.53	95.95



POWER

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS, YEARS ENDED DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 7,113,376,743	$ 6,957,787,841	$ 6,226,622,200	$ 5,536,254,012	$ 4,930,543,574
2	ACCUM. PROVISION FOR DEPR. AND AMORT	1,573,615,013	1,453,576,676	1,335,826,651	1,374,422,446	1,285,134,564
3	NET ELECTRIC UTILITY PLANT	6,139,761,730	5,504,211,165	4,890,795,549	4,161,831,566	3,645,409,010
4	OTHER UTILITY PLANT	696,035,434	648,544,645	644,941,376	579,405,624	545,319,666
5	ACCUM. PROVISION FOR DEPR. AND AMORT	177,146,602	164,071,225	153,700,053	143,364,948	135,538,596
6	NET OTHER UTILITY PLANT	518,888,832	484,473,420	491,241,323	436,040,676	409,781,070
7	TOTAL UTILITY PLANT	8,409,412,177	7,606,332,486	6,871,563,576	6,115,659,636	5,475,863,240
8	ACCUM. PROVISION FOR DEPR. AND AMORT	1,750,761,615	1,617,647,901	1,489,526,704	1,517,787,394	1,420,673,160
9	NET TOTAL UTILITY PLANT	6,658,650,562	5,988,684,585	5,382,036,872	4,597,872,242	4,055,190,080
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	17,730,161	16,643,249	18,347,886	18,719,395	19,667,800
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	330,904	413,763	356,832
12	INVESTMENT IN SUBSIDIARY COMPANIES	70,203,915	75,604,561	72,464,080	59,057,350	50,487,178
13	OTHER INVESTMENTS	3,989,400	232,262,189	128,532,635	32,345	80,573
14	SPECIAL FUNDS	2,238,336	79,916,312	50,402,625	29,769,088	13,421,793
15	TOTAL OTHER PROPERTY AND INVESTMENTS	94,161,812	406,426,311	270,078,130	107,991,981	84,014,176
16	CASH	86,708,497	16,702,160	21,879,023	21,949,845	10,592,784
17	SPECIAL DEPOSITS	485,682	151,619	150,843	89,148	624,485
18	WORKING FUNDS	3,158,510	23,686,821	1,736,980	6,971,099	6,422,159
19	TEMPORARY CASH INVESTMENTS	78,388,800	246,817	5,271,660	-	-
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	281,496,348	279,612,609	275,129,430	273,843,434	229,204,072
21	RECEIVABLES FROM ASSOCIATED COMPANIES	8,950,469	329,730	287,743	228,666	499,343
22	MATERIALS AND SUPPLIES	116,037,376	129,453,709	158,063,828	161,700,407	195,670,307
23	PREPAYMENTS	17,174,875	16,958,242	10,702,066	12,994,119	7,028,041
24	OTHER CURRENT AND ACCRUED ASSETS	5,265,743	7,187,325	8,869,378	4,353,409	3,274,323
25	TOTAL CURRENT AND ACCRUED ASSETS	597,666,300	474,329,032	482,090,941	472,130,127	453,316,514
26	UNAMORTIZED DEBT EXPENSE	100,533,627	64,041,780	52,381,070	21,764,007	21,843,811
27	EXTRAORDINARY PROPERTY LOSSES	953,764-	1,708,789	10,837,942	14,874,848	21,232,709
28	PREL. SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
29	CLEARING ACCOUNTS	24,337	24,976	28,844	18,127	17,754
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	2,288,729	1,361,617-	1,862,429	5,293,847	4,671,745
32	ACCUMULATED DEFERRED INCOME TAXES	31,610,000	15,674,000	54,178,000	58,919,000	73,393,000
33	OTHER DEFERRED DEBITS	145,409,421	81,169,236	34,100,300	68,112,535	83,436,951
34	TOTAL DEFERRED DEBITS	278,912,360	161,257,164	153,386,585	168,982,364	204,595,470
35	TOTAL ASSETS AND OTHER DEBITS	$ 7,629,390,034	$ 7,030,697,092	$ 6,287,594,528	$ 5,346,976,714	$ 4,797,115,240
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 127,140,994	$ 126,928,340	$ 116,648,974	$ 104,010,003	$ 93,832,151
37	PREFERRED STOCK ISSUED	697,850,000	682,900,000	678,850,000	592,800,000	484,750,000
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	1,214,854,083	1,210,463,925	1,036,273,337	858,486,451	697,394,141
41	OTHER PAID-IN CAPITAL	334,222,230	334,222,230	333,744,079	333,744,079	333,744,079
42	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
43	CAPITAL STOCK EXPENSE	16,517,769-	14,447,457-	12,970,848-	11,733,534-	10,343,102-
44	RETAINED EARNINGS	864,924,626	791,934,619	702,224,603	617,816,582	564,469,906
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	56,925,932	50,180,588	40,237,078	32,685,388	1,553,511
46	REACQUIRED CAPITAL STOCK	-	-	1,349,000-	2,376,000-	2,008,000-
47	TOTAL PROPRIETARY CAPITAL	3,279,400,096	3,182,182,246	2,842,856,223	2,525,610,969	2,163,392,086
48	BONDS (LESS BONDS REACQUIRED)	2,246,141,000	2,129,751,000	2,069,996,000	1,779,333,000	1,744,185,000
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	637,855,304	570,127,872	377,973,035	236,300,000	154,600,000
51	NET UNAMORTIZED PREMIUM + DISCOUNT	67,143-	1,548,166	1,951,375	1,834,832	2,933,673
52	TOTAL LONG-TERM DEBT	2,883,929,161	2,701,427,038	2,449,920,410	2,017,467,832	1,901,718,673
53	NOTES PAYABLE	100,012,500	5,000,000	61,050,000	80,100,000	92,000,000
54	ACCOUNTS PAYABLE	159,532,569	214,804,855	198,383,636	197,075,539	193,607,675
55	PAYABLES TO ASSOCIATED COMPANIES	2,392,257	2,458,434	2,712,276	1,533,438	1,458,689
56	CUSTOMER DEPOSITS	8,659,771	7,740,696	6,561,721	6,648,481	4,960,989
57	TAXES ACCRUED	7,144,051	8,257,947	22,673,666	12,573,495	19,279,545
58	INTEREST ACCRUED	68,742,853	76,276,750	66,392,373	46,621,639	47,560,139
59	DIVIDENDS DECLARED	-	-	769-	-	-
60	TAX COLLECTIONS PAYABLE	5,946,244	6,112,126	8,287,354	8,670,682	8,333,773
61	OTHER CURRENT AND ACCRUED LIABILITIES	253,980,186	178,232,371	98,827,757	108,562,687	78,684,364
62	TOTAL CURRENT AND ACCRUED LIABILITIES	606,310,431	494,883,178	455,028,213	460,785,941	445,895,174
63	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	267,450,000	219,198,000	182,691,000	121,368,000	79,959,000
66	OTHER DEFERRED CREDITS	182,936,347	120,976,631	111,249,682	24,376,972	34,084,581
	ACCUMULATED DEFERRED INCOME TAXES					
67	ACCELERATED AMORTIZATION	3,895,000	4,943,000	6,246,000	7,603,000	9,016,000
68	LIBERALIZED DEPRECIATION	276,052,000	221,263,000	178,266,000	124,391,000	100,485,000
69	OTHER	130,617,000	85,824,000	61,340,000	57,253,000	62,514,000
70	TOTAL DEFERRED CREDITS	859,750,347	652,204,631	539,787,682	343,111,972	286,057,581
71	PROPERTY INSURANCE RESERVE	-	-	-	-	-
72	INJURIES AND DAMAGE RESERVE	-	-	-	-	-
73	PENSION AND BENEFITS RESERVE	-	-	-	-	51,727
74	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
75	TOTAL OPERATING RESERVES	-	-	-	-	51,727
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 7,629,390,034	$ 7,030,697,092	$ 6,287,594,528	$ 5,346,976,714	$ 4,797,115,240

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS
NIAGARA MOHAWK POWER CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS						
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 2,110,856,584	$ 2,078,134,522	$ 2,118,464,821	$ 2,008,796,002	$ 1,843,020,478	1
OPERATION AND MAINTENANCE EXPENSE	1,138,046,215	1,194,851,080	1,275,649,838	1,281,930,112	1,175,903,016	2
DEPRECIATION EXPENSE	136,628,336	126,172,201	116,274,811	104,131,380	101,158,523	3
AMORTIZATION	4,261,185	10,700,389	11,476,124	10,318,508	7,335,249	4
TAXES OTHER THAN INCOME TAXES	243,859,572	228,902,577	217,096,475	206,096,136	191,308,027	5
INCOME TAXES	90,136,458	18,397,156	53,782,074	44,625,867	30,131,008	6
PROVISION FOR DEFERRED INCOME TAXES	144,805,000	156,814,000	117,233,000	90,967,815	83,143,539	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	34,432,000-	18,336,000-	16,886,000-	32,619,556-	31,002,624-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	391,239-	1,016,417	3,809,622-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	1,723,304,767	1,717,110,164	1,775,642,739	1,701,639,640	1,557,976,838	12
NET OPERATING REVENUES	387,551,817	361,024,358	342,822,082	307,156,362	285,043,640	13
INC. FROM LSD. PLT. & OTHER OPER. INC	49,223	46,583	7,189-	-	-	14
ELECTRIC UTILITY OPERATING INCOME	387,601,040	361,070,941	342,814,893	307,156,362	285,043,640	15
OTHER UTILITY OPERATING INCOME	48,511,246	43,721,003	44,312,070	42,025,792	25,766,520	16
TOTAL UTILITY OPERATING INCOME	436,112,286	404,791,944	387,126,963	349,182,154	310,810,160	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	232,362	35,537-	129,792-	239,022-	102,379-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	7,457,736	11,580,528	9,356,690	9,876,212	11,193,464	21
INTEREST AND DIVIDEND INCOME	31,089,611	44,660,643	18,115,060	8,550,048	1,678,856	22
ALLOWANCE FOR CONSTRUCTION FUNDS	165,792,933	187,316,403	161,496,650	117,792,939	94,736,294	23
MISCELLANEOUS NONOPERATING INCOME	3,132,929	2,794,120	1,762,009-	3,221,927	9,447,414	24
GAIN ON DISPOSITION OF PROPERTY	388,649	861,266	815,351	72,752	4,430,444	25
TOTAL OTHER INCOME	208,104,220	247,177,422	187,891,950	139,274,856	121,384,093	26
TOTAL INCOME	644,216,506	651,969,366	575,018,913	488,457,010	432,194,253	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	2,567,698	1,201,739	963,295	641,006	673,859	28
INCOME TAXES-NONOPERATING	32,293,000-	26,454,447-	32,521,970-	29,023,373-	23,922,600-	29
LOSS ON DISPOSITION OF PROPERTY	206,615	126,276	75,605	83,985	25,384	30
MISCELLANEOUS AMORTIZATION	693,953	427,091	533,411	552,649	554,300	31
MISCELLANEOUS INCOME DEDUCTIONS	3,914,752-	2,035,414-	9,161,777	1,924,039	6,969,732	32
TOTAL INCOME DEDUCTIONS	32,739,486-	26,734,755-	21,787,882-	25,821,694-	15,699,325-	33
INCOME BEFORE INTEREST CHARGES	676,955,992	678,704,121	596,806,795	514,278,704	447,893,578	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	259,021,784	256,834,343	221,703,684	187,761,814	155,283,815	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	5,783,881	4,312,187	3,259,586	2,122,018	1,711,891	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	345,493-	354,673-	365,659-	380,972-	426,474-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	1,354,840	-	-	38
OTHER INTEREST EXPENSE	14,630,907	6,482,230	11,120,490	12,366,894	22,790,209	39
TOTAL INTEREST CHARGES	279,091,079	267,274,087	237,072,941	201,869,754	179,359,441	40
INCOME BEFORE EXTRAORDINARY ITEMS	397,864,913	411,430,034	359,733,854	312,408,950	268,534,137	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 397,864,913	$ 411,430,034	$ 359,733,854	$ 312,408,950	$ 268,534,137	46
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 791,236,386	$ 701,526,370	$ 617,117,349	$ 563,771,672	$ 470,937,538	47
BALANCE TRANSFERRED FROM INCOME	391,119,569	401,486,524	352,362,164	304,457,738	250,740,673	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	53,817,506	59,559,323	51,460,031	42,108,640	37,585,718	50
-COMMON STOCK	264,312,057	252,217,185	216,493,112	185,642,756	153,681,486	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	23,360,665-	23,360,665	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	864,226,392	791,236,386	701,526,370	617,117,349	563,771,672	53
APPROPRIATED RETAINED EARNINGS	698,233	698,233	698,233	698,233	698,233	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	56,925,932	50,180,588	40,237,078	32,865,388	1,553,511	55
TOTAL RETAINED EARNINGS, END OF YEAR	$ 921,850,557	$ 842,115,207	$ 742,461,681	$ 650,680,970	$ 566,023,416	56
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	0.99	0.96	1.06	1.02	1.02	57
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	46.7	45.9	46.2	44.4	46.7	58
PREFERRED STOCK	11.3	11.6	11.8	13.0	11.9	59
COMMON STOCK AND OTHER PAID-IN CAPITAL	27.8	29.0	28.5	28.9	27.4	60
RETAINED EARNINGS	14.0	13.4	13.2	13.5	13.8	61
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	34.2	35.5	35.6	32.9	34.7	62
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	20.8	21.2	21.6	24.8	25.9	63
SELECTED INCOME ACCOUNT RELATIONSHIPS						
ELECTRIC OPERATING REVENUES % OF TOTAL OPERATING REVENUES	79.9	77.6	76.4	76.7	77.5	64
PERCENT OF ELECTRIC OPERATING REVENUES:						
ELECTRIC OPERATION AND MAINTENANCE	53.9	57.4	60.2	63.8	63.8	65
ELECTRIC DEPRECIATION AND AMORTIZATION	6.6	6.5	6.0	5.6	5.8	66
TOTAL INCOME TAXES-ELECTRIC, OPERATING	9.4	7.5	7.3	4.9	4.4	67
OTHER TAXES-ELECTRIC, OPERATING	11.5	11.0	10.2	10.2	10.3	68
TOTAL ELECTRIC OPERATING EXPENSE	81.6	82.6	83.8	84.7	84.5	69
ELECTRIC OPERATING INCOME	18.3	17.3	16.1	15.2	15.4	70
INTEREST EXPENSE:						
PRETAX COVERAGE	3.1	3.1	3.1	2.9	2.9	71
NET INCOME-PERCENT OF OPERATING REVENUES	15.0	15.3	12.9	11.9	11.3	72
DIVIDEND APPROPRIATIONS, COMMON STOCK: % OF EARNINGS AVAILABLE FOR COMMON	76.8	71.6	70.2	68.6	66.5	73
PERCENT OF AVERAGE COMMON EQUITY: EARNINGS AVAILABLE FOR COMMON STOCK	13.5	14.9	14.8	14.9	14.7	74

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 397,864,913	$ 411,430,034	$ 359,733,854	$ 312,408,950	$ 268,534,137
-	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	154,537,360	149,870,076	140,380,300	126,765,149	120,700,234
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	133,743,000	141,206,000	116,266,000	80,850,259	68,900,015
4	INTEREST CAPITALIZED	166,792,933-	187,316,403-	161,496,650-	117,792,939-	94,736,294-
5	OTHER (NET)	10,789,745	9,160,215	8,255,386	1,979,757	1,773,379
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	531,142,085	524,349,922	463,137,890	404,211,176	365,171,471
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	531,142,085	524,349,922	463,137,890	404,211,176	365,171,471
10	LESS DIVIDENDS: PREFERRED	53,817,506	59,559,323	51,460,031	42,108,640	37,585,718
11	COMMON	264,312,057	252,217,185	216,493,112	185,642,756	153,681,486
12	NET FUNDS FROM INTERNAL SOURCES	213,012,522	212,573,414	195,184,747	176,459,780	173,904,267
	EXTERNAL SOURCES					
13	LONG TERM DEBT	623,432,432	425,480,502	409,713,713	289,900,000	316,578,207
14	PREFERRED STOCK	75,000,000	75,000,000	50,000,000	120,000,000	20,000,000
15	COMMON STOCK	4,602,812	185,269,954	189,626,857	171,269,162	145,193,821
16	NET INCREASE IN SHORT TERM DEBT	95,012,500	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	798,047,744	685,750,456	649,340,570	581,169,162	481,772,028
20	OTHER SOURCES (NET)	203,144,066	93,666,874	13,331,459	7,976,154	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,214,204,332	$ 991,990,744	$ 857,856,776	$ 765,605,096	$ 655,676,295
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	ELECTRIC PLANT	$ 305,052,835	$ 231,348,388	$ 253,641,518	$ 251,443,883	$ 250,235,644
25	NUCLEAR PLANT	404,394,509	465,857,504	466,509,365	375,331,543	278,373,152
26	NUCLEAR FUEL	22,859,256	48,560,262	23,541,866	17,087,867	30,676,614
27	GAS PLANT	39,904,150	20,911,143	41,001,891	31,872,767	32,609,895
28	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
29	STEAM PLANT	-	-	-	-	-
30	NON-UTILITY PLANT	-	-	-	-	-
31	OTHER	-	-	-	-	-
32	TOTAL GROSS ADDITIONS	772,210,750	766,677,297	784,694,640	675,736,060	591,895,305
33	LESS INTEREST CAPITALIZED	166,792,933	187,316,403	161,496,650	117,792,939	94,736,294
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	606,417,817	579,360,894	623,197,990	557,943,121	497,159,011
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	440,815,000	178,195,000	30,732,000	173,052,000	65,428,000
36	PREFERRED STOCK	60,050,000	19,601,000	12,923,000	12,318,000	9,456,000
37	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	-	46,050,000	29,050,000	11,900,000	15,000,000
39	OTHER (NET)	-	-	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	500,865,000	243,846,000	72,705,000	197,270,000	89,884,000
42	OTHER USES (NET)	106,921,515	168,783,850	161,963,786	10,391,975	68,633,284
43						
44						
45	TOTAL FUNDS APPLIED	$ 1,214,204,332	$ 991,990,744	$ 857,856,776	$ 765,605,096	$ 655,676,295

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO.
ELECTRIC OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 697,030,056	$ 642,859,221	$ 603,117,748	$ 579,605,569	$ 534,744,449	1
COMMERCIAL AND INDUSTRIAL	1,208,901,351	1,139,915,009	1,108,345,462	1,094,745,559	1,046,990,593	2
PUBLIC STREET AND HIGHWAY LIGHTING	40,702,877	38,933,617	37,560,065	36,198,109	34,638,673	3
OTHER PUBLIC AUTHORITIES	63,482	66,346	63,540	51,881	16,995	4
RAILROADS AND RAILWAYS	-	-	-	-	-	5
INTERDEPARTMENTAL	-	-	-	-	-	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	1,946,697,766	1,821,774,193	1,749,086,815	1,710,601,118	1,616,390,710	7
RESALE	87,548,478	189,379,468	298,233,751	230,137,798	165,903,223	8
TOTAL REVENUES FROM ELECTRIC SALES	2,034,246,244	2,011,153,661	2,047,320,566	1,940,738,916	1,782,293,933	9
OTHER ELECTRIC OPERATING REVENUES	76,610,340	66,980,861	71,144,255	68,057,086	60,726,545	10
TOTAL ELECTRIC OPERATING REVENUES	$ 2,110,856,584	$ 2,078,134,522	$ 2,118,464,821	$ 2,008,796,002	$ 1,843,020,478	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	9,208,792	8,836,053	8,806,412	8,450,401	8,353,067	12
COMMERCIAL AND INDUSTRIAL	20,935,228	20,573,398	20,720,566	20,034,237	19,454,530	13
PUBLIC STREET AND HIGHWAY LIGHTING	227,231	232,408	236,539	242,416	250,707	14
OTHER PUBLIC AUTHORITIES	2,396	3,839	4,245	4,202	1,548	15
RAILROADS AND RAILWAYS	-	-	-	-	-	16
INTERDEPARTMENTAL	-	-	-	-	-	17
TOTAL SALES TO ULTIMATE CONSUMERS	30,373,645	29,645,696	29,767,762	28,731,256	28,059,853	18
RESALE	3,166,004	4,888,562	6,582,846	5,284,959	3,846,248	19
TOTAL KILOWATT-HOUR SALES	33,539,649	34,534,258	36,350,608	34,016,215	31,906,101	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	1,276,423	1,259,434	1,244,307	1,230,930	1,217,750	21
COMMERCIAL AND INDUSTRIAL	137,237	135,678	134,140	132,786	131,973	22
PUBLIC STREET AND HIGHWAY LIGHTING	3,121	3,154	3,128	3,107	3,105	23
OTHER PUBLIC AUTHORITIES	4	4	3	2	2	24
RAILROADS AND RAILWAYS	-	-	-	-	-	25
INTERDEPARTMENTAL	-	-	-	-	-	26
TOTAL ULTIMATE CONSUMERS	1,416,785	1,398,270	1,381,578	1,366,825	1,352,830	27
RESALE	150	149	144	144	150	28
TOTAL CUSTOMERS	1,416,935	1,398,419	1,381,722	1,366,969	1,352,980	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 546.08	$ 510.44	$ 484.70	$ 470.87	$ 439.12	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	7,215	7,016	7,077	6,865	6,859	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	7.57	7.28	6.85	6.86	6.40	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 8,808.86	$ 8,401.62	$ 8,262.60	$ 8,244.44	$ 7,933.37	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	152,548	151,634	154,470	150,876	147,413	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	5.77	5.54	5.35	5.46	5.38	35
ELECTRIC OPERATION AND MAINTENANCE EXPENSES						
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 297,890,145	$ 359,491,301	$ 453,460,338	$ 485,712,316	$ 487,899,954	36
OTHER	56,836,945	57,301,174	52,459,527	51,526,211	48,600,841	37
TOTAL STEAM POWER EXPENSES	354,727,090	416,792,475	505,919,865	537,238,527	536,500,795	38
NUCLEAR POWER						
FUEL	21,156,402	30,498,752	21,361,083	14,744,660	12,996,041	39
OTHER	19,693,118	17,567,344	26,788,221	25,516,870	21,481,145	40
TOTAL NUCLEAR POWER EXPENSES	40,849,520	48,066,096	48,149,304	40,261,530	34,477,186	41
HYDRAULIC POWER						
WATER FOR POWER	2,109,678	1,517,694	1,422,106	1,334,340	1,251,094	42
OTHER	10,009,369	10,783,574	11,066,899	10,710,946	11,172,978	43
TOTAL HYDRAULIC POWER EXPENSES	12,119,047	12,301,268	12,489,005	12,045,286	12,424,072	44
OTHER POWER GENERATION						
FUEL	813,924	1,406,192	1,269,264	888,198	1,617,654	45
OTHER	893,029	458,904	802,267	1,227,799	1,610,199	46
TOTAL OTHER POWER GENERATION EXPENSE	1,706,953	1,865,096	2,071,531	2,115,997	3,227,853	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	351,451,883	371,895,818	384,664,117	390,614,392	318,684,666	48
OTHER	3,850,264	2,823,926	2,344,049	2,730,637	2,728,801	49
TOTAL OTHER POWER SUPPLY EXPENSES	355,302,147	374,719,744	387,008,166	393,345,029	321,413,467	50
TOTAL POWER PRODUCTION EXPENSES	764,704,757	853,744,679	955,637,871	985,006,369	908,043,373	51
TRANSMISSION EXPENSES	27,979,253	25,718,521	24,109,362	19,780,048	20,785,867	52
DISTRIBUTION EXPENSES	98,863,101	93,844,397	88,213,303	93,264,366	82,634,997	53
CUSTOMER ACCOUNTS EXPENSES	41,664,521	37,637,078	37,052,686	35,509,753	32,107,699	54
SALES EXPENSES	11,987,029	9,659,653	8,455,680	6,586,652	5,566,885	55
ADMINISTRATIVE AND GENERAL	192,847,554	174,246,752	162,180,936	141,782,925	126,764,195	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 1,138,046,215	$ 1,194,851,080	$ 1,275,649,838	$ 1,281,930,112	$ 1,175,903,016	57
ELECTRIC UTILITY PLANT*						
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	$ 6,430,941	$ 49,366	$ 49,366	$ 49,366	$ 49,366	58
PRODUCTION PLANT						
STEAM	1,216,234,483	1,178,589,101	1,144,760,008	1,099,000,612	1,075,716,621	59
NUCLEAR	546,124,002	476,458,346	460,273,353	367,746,133	282,136,464	60
HYDRAULIC	261,917,011	252,909,642	233,261,673	218,382,860	188,836,731	61
OTHER	27,320,903	26,634,643	26,591,848	26,089,296	25,979,066	62
TRANSMISSION PLANT	860,455,194	842,525,407	814,637,530	796,791,074	767,197,671	63
DISTRIBUTION PLANT	1,485,789,618	1,409,744,921	1,321,485,379	1,248,629,745	1,170,577,164	64
GENERAL PLANT	127,753,132	90,208,936	56,227,411	54,283,190	57,638,759	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	381,618,890	358,759,633	310,199,372	286,657,506	269,569,638	68
TOTAL ELECTRIC PLANT IN SERVICE	4,913,644,174	4,635,879,995	4,367,485,940	4,097,629,782	3,837,700,469	69
PLANT LEASED TO OTHERS	2,434,726	1,108,341	1,108,341	105,000	105,000	70
PLANT HELD FOR FUTURE USE	-	-	-	-	-	71
CONSTRUCTION WORK IN PROGRESS	2,797,297,843	2,320,799,505	1,858,027,919	1,438,519,230	1,092,738,105	72
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	73
TOTAL ELECTRIC UTILITY PLANT	7,713,376,743	6,957,787,841	6,226,622,200	5,536,254,012	4,930,543,574	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	1,573,615,013	1,453,576,676	1,335,826,651	1,374,422,446	1,285,134,564	75
NET ELECTRIC UTILITY PLANT	$ 6,139,761,730	$ 5,504,211,165	$ 4,890,795,549	$ 4,161,831,566	$ 3,645,409,010	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 4,635,879,995	$ 4,367,485,940	$ 4,097,629,782	$ 3,837,700,467	$ 3,620,979,962	77
ADDITIONS	415,819,127	294,485,651	295,517,947	288,899,784	250,903,256	78
RETIREMENTS	25,917,846	26,107,203	21,431,201	19,524,850	37,847,918	79
TRANSFERS AND ADJUSTMENTS	112,137,102-	15,607	4,230,588-	9,445,619-	3,665,169	80
PLANT IN SERVICE END OF YEAR	$ 4,913,644,174	$ 4,635,673,995	$ 4,367,485,940	$ 4,097,629,782	$ 3,837,700,469	81

*EXCLUDES ALLOCATION OF COMMON PLANT

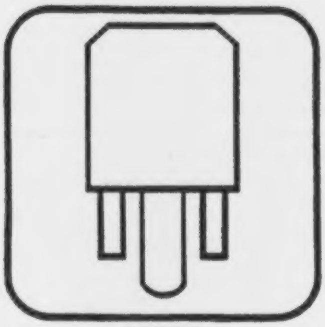
MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

YEARS ENDED DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES - ULTIMATE CONSUMERS	$ 2,023,308,106	$ 1,888,755,054	$ 1,820,231,070	$ 1,778,658,204	$ 1,677,117,255
2	SALES-ULTIMATE CONSUMERS (000 KWH)	30,373,645	29,645,696	29,767,761	28,731,256	28,059,852
				DOLLAR AMOUNTS		
3	FUEL AND PURCHASED POWER	$ 596,765,463	$ 614,686,907	$ 642,158,460	$ 720,171,202	$ 695,436,904
4	WAGES AND BENEFITS	276,974,369	261,541,671	251,718,671	235,833,193	211,550,550
5	OTHER OPERATION AND MAINTENANCE EXPENSES	184,434,588	153,564,507	155,178,603	147,518,055	138,056,809
6	DEPRECIATION AND AMORTIZATION EXPENSES	140,889,522	136,872,590	127,760,935	114,449,888	108,493,772
7	INCOME TAXES - OPERATING	200,509,458	156,483,917	155,145,491	99,164,504	82,272,023
8	OTHER TAXES - OPERATING	243,859,572	228,902,577	217,096,475	206,096,136	191,308,027
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	176,257,393	159,619,063	144,371,073	125,900,973	117,968,380
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	33,700,437	34,711,312	29,993,212	26,988,218	24,387,827
11	EARNINGS AVAILABLE FOR COMMON EQUITY	169,917,303	132,372,510	96,818,150	102,537,035	107,642,963
12	TOTAL	$ 2,023,308,106	$ 1,888,755,054	$ 1,820,231,070	$ 1,778,658,204	$ 1,677,117,255
			PERCENT OF REVENUES - ULTIMATE CONSUMERS			
13	FUEL AND PURCHASED POWER	29.5	32.5	35.3	40.5	41.5
14	WAGES AND BENEFITS	13.7	13.8	13.8	13.3	12.6
15	OTHER OPERATION AND MAINTENANCE EXPENSES	9.1	8.7	8.5	8.3	8.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	7.0	7.2	7.0	6.4	6.5
17	INCOME TAXES - OPERATING	9.9	8.3	8.5	5.6	4.9
18	OTHER TAXES - OPERATING	12.1	12.1	11.9	11.6	11.4
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	8.7	8.5	7.9	7.1	7.0
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.7	1.8	1.6	1.5	1.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	8.4	7.0	5.3	5.8	6.4
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER KWH		
23	FUEL AND PURCHASED POWER	1.96	2.07	2.15	2.51	2.48
24	WAGES AND BENEFITS	0.91	0.88	0.85	0.82	0.75
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.61	0.55	0.52	0.51	0.49
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.46	0.46	0.43	0.40	0.39
27	INCOME TAXES - OPERATING	0.66	0.53	0.52	0.35	0.29
28	OTHER TAXES - OPERATING	0.80	0.77	0.73	0.72	0.68
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	0.58	0.54	0.48	0.44	0.42
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.11	0.12	0.10	0.09	0.09
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.56	0.45	0.33	0.36	0.38
32	TOTAL	6.66	6.37	6.11	6.19	5.98
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS:	93.74	93.42	92.92	92.06	91.39



POWER

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS, YEARS ENDED DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC.

LINE NO.	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 582,096,182	$ 515,945,973	$ 488,607,482	$ 459,201,677	$ 449,003,198
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	169,811,223	163,066,039	151,812,663	139,216,653	127,393,032
3	NET ELECTRIC UTILITY PLANT	412,284,959	352,880,934	336,794,819	319,985,024	321,610,166
4	OTHER UTILITY PLANT	160,341,540	141,784,799	129,721,378	128,004,776	118,098,568
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	48,681,323	42,051,455	36,332,841	30,765,828	27,240,021
6	NET OTHER UTILITY PLANT	111,660,217	99,733,344	93,388,537	97,238,948	90,858,547
7	TOTAL UTILITY PLANT	742,437,722	657,730,772	618,328,860	587,206,453	567,101,766
8	ACCUM. PROVISION FOR DEPR. AND AMORT	218,492,546	205,116,494	188,145,504	169,982,481	154,633,053
9	NET TOTAL UTILITY PLANT	523,945,176	452,614,278	430,183,356	417,223,972	412,468,713
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	72,733	83,506	91,038	79,279	109,628
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	66,140,629	61,225,798	55,283,544	54,491,112	47,812,100
13	OTHER INVESTMENTS	1	1	1	1	1
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	66,213,363	61,309,305	55,374,583	54,570,392	47,921,729
16	CASH	7,920,155	4,823,254	2,301,871	993,950	1,061,712
17	SPECIAL DEPOSITS	666,622	568,228	259,653	177,653	109,772
18	WORKING FUNDS	205,936	104,852	39,214	59,289	66,616
19	TEMPORARY CASH INVESTMENTS	-	-	8,970,161	-	-
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	30,773,098	34,982,563	37,984,297	37,725,767	30,654,162
21	RECEIVABLES FROM ASSOCIATED COMPANIES	8,966,971	7,764,500	8,531,675	7,395,243	9,501,406
22	MATERIALS AND SUPPLIES	14,353,966	17,662,296	18,773,090	14,079,489	18,257,634
23	PREPAYMENTS	16,391,992	14,062,863	13,484,305	12,921,909	32,853,218
24	OTHER CURRENT AND ACCRUED ASSETS	31,677,415	38,772,440	30,320,059	25,816,420	19,872,247
25	TOTAL CURRENT AND ACCRUED ASSETS	110,955,154	118,740,996	120,664,325	99,179,720	112,376,767
26	UNAMORTIZED DEBT EXPENSE	4,494,870	4,686,684	3,408,082	2,129,365	2,437,492
27	EXTRAORDINARY PROPERTY LOSSES	33,821,591	34,850,943	36,685,577	38,544,953	33,344,800
28	PREL. SURVEY + INVESTIGATION CHARGES	186,947	546,860	682,637	600,246	535,247
29	CLEARING ACCOUNTS	-	1,718	-	84	-
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	14,152	290,191-	556,936-	77,418-	116,252
32	ACCUMULATED DEFERRED INCOME TAXES	2,368,323	1,148,149	526,738	257,842	272,276
33	OTHER DEFERRED DEBITS	6,603,062	12,567,184	13,778,170	18,332,854	22,287,659
34	TOTAL DEFERRED DEBITS	47,488,945	53,511,347	54,524,268	59,787,926	58,993,726
35	TOTAL ASSETS AND OTHER DEBITS	$ 748,602,638	$ 686,175,926	$ 660,746,532	$ 630,762,010	$ 631,760,935
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 63,146,955	$ 63,130,810	$ 63,112,095	$ 61,525,110	$ 58,867,065
37	PREFERRED STOCK ISSUED	58,865,744	60,322,164	51,790,087	61,823,492	61,911,062
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	105,860,383	105,806,315	105,743,632	100,633,818	93,408,810
41	OTHER PAID-IN CAPITAL	-	-	-	-	-
42	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
43	CAPITAL STOCK EXPENSE	5,826,406-	5,848,720-	5,804,508-	5,748,418-	5,623,735-
44	RETAINED EARNINGS	71,319,466	66,807,220	64,858,456	55,842,734	49,992,452
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	39,915,548	35,000,717	30,960,464	30,168,132	26,489,120
46	REACQUIRED CAPITAL STOCK	-	-	-	-	-
47	TOTAL PROPRIETARY CAPITAL	333,281,689	325,218,506	320,660,226	304,244,868	285,044,774
48	BONDS (LESS BONDS REACQUIRED)	170,000,000	170,000,000	170,000,000	170,000,000	178,000,000
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	59,867,807	25,057,702	16,926,290	8,237,125	5,341,680
51	NET UNAMORTIZED PREMIUM + DISCOUNT	300,419-	285,827-	39,940	591,726	602,261
52	TOTAL LONG-TERM DEBT	229,567,388	194,771,875	186,966,230	178,828,851	183,943,941
53	NOTES PAYABLE	22,000,000	4,500,000	-	11,900,000	14,000,000
54	ACCOUNTS PAYABLE	45,508,262	42,739,124	42,297,507	31,919,080	34,600,107
55	PAYABLES TO ASSOCIATED COMPANIES	1,020,625	312,179	763,151	421,401	1,905,746
56	CUSTOMER DEPOSITS	2,127,738	2,064,542	1,914,025	1,837,882	1,777,310
57	TAXES ACCRUED	3,656,481	3,173,533	3,395,858	17,4[illegible]533	37,868,841
58	INTEREST ACCRUED	3,310,016	5,006,474	4,989,859	5,43[illegible]863	5,512,364
59	DIVIDENDS DECLARED	1,058,902	1,002,799	1,002,798	1,002,798	1,002,798
60	TAX COLLECTIONS PAYABLE	351,356	332,310	275,987	271,643	301,788
61	OTHER CURRENT AND ACCRUED LIABILITIES	18,967,156	19,035,353	16,197,308	16,072,813	4,237,035
62	TOTAL CURRENT AND ACCRUED LIABILITIES	98,000,534	78,156,314	70,836,493	86,880,824	101,205,989
63	CUSTOMER ADVANCES FOR CONSTRUCTION	838,316	755,943	671,478	941,282	403,916
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	20,588,776	15,784,513	13,091,388	11,418,386	10,338,353
66	OTHER DEFERRED CREDITS	4,005,861	11,365,288	11,861,743	6,295,537	8,269,849
	ACCUMULATED DEFERRED INCOME TAXES:					
67	ACCELERATED AMORTIZATION	1,154,977	1,067,326	988,273	1,106,521	1,224,769
68	LIBERALIZED DEPRECIATION	39,524,500	34,136,101	28,487,700	23,672,900	19,236,551
69	OTHER	18,519,926	22,693,658	24,867,201	18,493,689	20,499,918
70	TOTAL DEFERRED CREDITS	84,632,355	85,802,829	79,967,783	61,528,296	59,973,356
71	PROPERTY INSURANCE RESERVE	445,921	445,921	484,474	484,474	520,860
72	INJURIES AND DAMAGE RESERVE	2,413,703	1,553,326	1,713,628	1,787,990	1,143,156
73	PENSION AND BENEFITS RESERVE	-	-	-	-	-
74	MISCELLANEOUS OPERATING RESERVES	261,048	227,155	127,698	6,710	71,141-
75	TOTAL OPERATING RESERVES	3,120,672	2,226,402	2,325,800	2,279,174	1,592,875
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 748,602,638	$ 686,175,926	$ 660,746,532	$ 630,762,010	$ 631,760,935

MAJOR PRIVATELY OWNED UT[illegible]IES [illegible]VIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS
ORANGE AND ROCKLAND UTILITIES, INC.

ITEM	1986	1985	1984	1983	1982	LINE NO.
COMPARA[illegible] INCOME AND RETAINED EARNING STATEMENTS						
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES $	296,927,398 $	338,114,859 $	357,783,591 $	334,772,906 $	314,036,907	1
OPERATION AND MAINTENANCE EXPENSE	178,610,525	216,896,606	237,357,776	224,316,788	215,576,277	2
DEPRECIATION EXPENSE	14,408,891	14,344,136	14,116,483	13,517,752	13,016,856	3
AMORTIZATION	2,041,112	2,092,812	2,083,508	2,094,433	765,868	4
TAXES OTHER THAN INCOME TAXES	38,800,636	37,861,733	37,246,266	33,179,653	30,213,413	5
INCOME TAXES	20,080,731	23,401,430	19,578,585	18,971,548	14,753,560	6
PROVISION FOR DEFERRED INCOME TAXES	7,435,006	6,176,989	10,417,660	8,153,734	5,012,117	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	4,683,313-	3,933,407-	4,597,788-	4,768,743-	1,819,201-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	256,693,588	296,840,299	316,212,480	295,465,165	277,518,890	12
NET OPERATING REVENUES	40,233,810	41,274,560	41,571,111	39,307,741	36,518,017	13
INC. FROM LSD. PLT. & OTHER OPER. INC	-	-	-	-	-	14
ELECTRIC UTILITY OPERATING INCOME	40,233,810	41,274,560	41,571,111	39,307,741	36,518,017	15
OTHER UTILITY OPERATING INCOME	6,110,206	6,769,699	7,913,952	6,118,124	7,043,460	16
TOTAL UTILITY OPERATING INCOME	46,344,016	48,044,259	49,485,063	45,425,865	43,561,477	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	302	11,619-	649	1,302-	656-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S.	4,914,831	4,040,253	1,576,332	4,463,012	5,066,050	21
INTEREST AND DIVIDEND INCOME	272,190	669,188	698,881	2,164,583	2,664,150	22
ALLOWANCE FOR CONSTRUCTION FUNDS	9,351,230	1,643,130	3,389,108	2,698,415	1,818,656	23
MISCELLANEOUS NONOPERATING INCOME	175,483-	170,186-	90,622-	169,783-	185,014-	24
GAIN ON DISPOSITION OF PROPERTY	132,645	204,834	20,710	58,134	41,775	25
TOTAL OTHER INCOME	14,495,715	6,375,600	5,595,058	9,213,059	9,394,961	26
TOTAL INCOME	60,839,731	54,419,859	55,080,121	54,638,924	52,956,438	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	34,927	36,066	29,249	24,487	31,945	28
INCOME TAXES-NONOPERATING	2,832,867-	1,434,944-	2,893,783-	676,475-	300,476	29
LOSS ON DISPOSITION OF PROPERTY	530	43	-	875	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	632,869	439,908	317,562	378,755	195,278	32
TOTAL INCOME DEDUCTIONS	2,164,541-	958,927-	2,546,972-	272,358-	527,699	33
INCOME BEFORE INTEREST CHARGES	63,004,272	55,378,786	57,627,093	54,911,282	52,428,739	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	22,119,959	14,157,366	17,297,740	16,692,331	14,781,202	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	234,376	179,753	362,757	348,127	208,046	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	46,370-	46,369-	46,389-	50,535-	51,923-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	288,210-	1,330,736	1,294,074	1,819,812	3,365,560	39
TOTAL INTEREST CHARGES	22,019,755	15,621,486	18,908,202	18,809,735	18,302,885	40
INCOME BEFORE EXTRAORDINARY ITEMS	40,984,517	39,757,300	38,718,891	36,101,547	34,125,854	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME $	40,984,517 $	39,757,300 $	38,718,891 $	36,101,547 $	34,125,854	46
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR $	66,807,220 $	64,858,456 $	55,842,734 $	49,992,452 $	44,378,181	47
BALANCE TRANSFERRED FROM INCOME	36,069,686	35,717,047	37,926,559	32,422,535	29,853,804	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	4,281,253	4,284,360	4,287,709	4,290,048	4,295,717	50
-COMMON STOCK	27,276,188	26,386,024	24,623,128	22,282,205	19,943,816	51
ADJUSTMENTS TO RETAINED EARNINGS	-	3,097,899-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	71,319,465	66,807,220	64,858,456	55,842,734	49,992,452	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	39,915,548	35,000,717	30,960,464	30,168,132	26,489,120	55
TOTAL RETAINED EARNINGS, END OF YEAR $	111,235,013 $	101,807,937 $	95,818,920 $	86,010,866 $	76,481,572	56
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	1.13	1.52	1.70	1.15	1.11	57
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	40.7	37.4	36.8	36.7	39.2	58
PREFERRED STOCK	10.4	11.6	12.1	12.8	13.2	59
COMMON STOCK AND OTHER PAID-IN CAPITAL	36.0	38.0	38.2	38.7	36.9	60
RETAINED EARNINGS	12.6	12.8	12.7	11.6	10.6	61
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	-	29.6	30.2	30.1	32.4	62
ACCUM. PROVISION FOR DEPR.: % OF UTILITY PLT	-	31.1	30.4	28.9	27.2	63
SELECTED INCOME ACCOUNT RELATIONSHIPS						
ELECTRIC OPERATING REVENUES:						
% OF TOTAL OPERATING REVENUES	69.9	71.0	71.6	68.9	70.3	64
PERCENT OF ELECTRIC OPERATING REVENUES:						
ELECTRIC OPERATION AND MAINTENANCE	60.1	64.1	66.3	67.0	68.6	65
ELECTRIC DEPRECIATION AND AMORTIZATION	5.5	4.8	4.5	4.6	4.3	66
TOTAL INCOME TAXES-ELECTRIC, OPERATING	7.5	7.6	7.0	6.6	5.7	67
OTHER TAXES-ELECTRIC, OPERATING	13.0	11.1	10.4	9.9	9.6	68
TOTAL ELECTRIC OPERATING EXPENSE	86.4	87.7	88.3	88.2	88.3	69
ELECTRIC OPERATING INCOME	13.6	12.2	11.6	11.7	11.6	70
INTEREST EXPENSE:						
PRETAX COVERAGE	3.9	5.3	4.5	4.2	4.0	71
NET INCOME-PERCENT OF OPERATING REVENUES	9.6	8.3	7.7	7.4	7.6	72
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
% OF EARNINGS AVAILABLE FOR COMMON	74.3	74.3	71.5	70.0	66.8	73
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	13.6	13.5	13.7	13.6	13.9	74

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC.

LINE NO.	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 40,984,517	$ 39,757,300	$ 38,718,891	$ 36,101,547	$ 34,125,854
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	21,022,286	19,817,904	19,898,524	17,959,835	17,281,031
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	4,886,408	5,625,625	12,474,160	3,406,349	7,582,686
4	INTEREST CAPITALIZED	9,351,230-	1,643,130-	3,389,108-	2,698,415-	1,818,656-
5	OTHER (NET):	6,434,837	4,865,769	5,408,828	3,102,332	1,282,136
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	63,976,818	68,423,468	73,111,295	57,871,648	58,453,051
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	63,976,818	68,423,468	73,111,295	57,871,648	58,453,051
10	LESS DIVIDENDS PREFERRED	4,281,253	4,284,360	4,287,709	4,290,048	4,295,717
11	COMMON	27,276,188	26,386,024	24,623,128	22,282,205	19,943,816
12	NET FUNDS FROM INTERNAL SOURCES	32,419,377	37,753,084	44,200,458	31,299,396	34,213,518
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	35,863,177	8,808,554	11,043,738	913,613	5,302,312
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	70,213	81,398	6,696,801	9,883,051	7,928,492
16	NET INCREASE IN SHORT TERM DEBT	17,500,000	4,500,000	-	-	5,900,000
17	OTHER (NET):	-	-	-	-	7,018,070
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	53,433,390	13,389,952	17,740,539	10,796,664	26,148,874
20	OTHER SOURCES (NET):	10,130,062	4,743,150	5,336,411	371,882	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 95,982,829	$ 55,886,186	$ 67,277,408	$ 42,467,941	$ 60,362,392
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	ELECTRIC PLANT	$ 82,529,116	$ 29,934,032	$ 31,411,646	$ 12,134,576	$ 21,930,170
25	NUCLEAR PLANT	-	-	-	-	-
26	NUCLEAR FUEL	-	-	-	-	-
27	GAS PLANT	8,572,110	9,584,211	6,770,393	4,259,737	6,432,452
28	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
29	STEAM PLANT	-	-	-	-	-
30	NON-UTILITY PLANT	18,028	17,951	34,625	-	2,164
31	OTHER	2,499,775	3,291,742	4,467,062-	6,898,073	5,110,259
32	TOTAL GROSS ADDITIONS	93,619,029	42,827,936	33,749,602	23,292,386	33,475,045
33	LESS INTEREST CAPITALIZED	9,351,230	1,643,130	3,389,108	2,698,415	1,818,656
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	84,267,799	41,184,806	30,360,494	20,593,971	31,656,389
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	1,053,072	677,142	354,573	8,018,168	10,016,182
36	PREFERRED STOCK	1,456,420	1,467,923	33,405	87,570	107,172
37	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	-	-	11,500,000	2,500,000	-
39	OTHER (NET):	-	-	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	2,509,492	2,145,065	11,887,978	10,605,738	10,123,354
42	OTHER USES (NET):	9,206,538	12,556,315	25,028,936	11,268,232	18,582,649
43						
44						
45	TOTAL FUNDS APPLIED	$ 95,982,829	$ 55,886,186	$ 67,277,408	$ 42,467,941	$ 60,362,392

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC.

ITEM	1986	1985	1984	1983	1982	LINE NO.
ELECTRIC OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 97,212,929	$ 106,556,674	$ 108,604,587	$ 104,310,545	$ 95,275,088	1
COMMERCIAL AND INDUSTRIAL	121,835,941	131,219,405	133,505,079	128,104,417	122,882,207	2
PUBLIC STREET AND HIGHWAY LIGHTING	3,336,394	3,951,375	3,497,210	3,389,860	3,235,961	3
OTHER PUBLIC AUTHORITIES	3,192,957	3,775,988	3,760,010	3,747,623	3,584,878	4
RAILROADS AND RAILWAYS	-	-	-	-	-	5
INTERDEPARTMENTAL	133,350	144,087	143,424	151,277	125,821	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	225,711,571	245,247,527	249,510,310	239,703,722	225,103,955	7
RESALE	64,284,566	90,147,443	105,696,083	93,203,029	87,037,204	8
TOTAL REVENUES FROM ELECTRIC SALES	289,996,137	335,394,970	355,206,393	332,906,751	312,141,159	9
OTHER ELECTRIC OPERATING REVENUES	6,931,261	2,719,889	2,577,198	1,866,155	1,895,748	10
TOTAL ELECTRIC OPERATING REVENUES	$ 296,927,398	$ 338,114,859	$ 357,783,591	$ 334,772,906	$ 314,036,907	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	808,374	822,920	816,682	792,392	739,784	12
COMMERCIAL AND INDUSTRIAL	1,440,701	1,353,702	1,323,996	1,273,995	1,237,752	13
PUBLIC STREET AND HIGHWAY LIGHTING	19,026	18,886	18,553	18,367	18,152	14
OTHER PUBLIC AUTHORITIES	55,196	55,282	52,430	51,861	50,860	15
RAILROADS AND RAILWAYS	-	-	-	-	-	16
INTERDEPARTMENTAL	2,942	2,955	2,821	2,839	2,792	17
TOTAL SALES TO ULTIMATE CONSUMERS	2,326,239	2,253,745	2,214,482	2,139,455	2,049,342	18
RESALE	1,665,475	1,869,959	1,981,706	1,726,678	1,488,178	19
TOTAL KILOWATT-HOUR SALES	3,991,714	4,123,704	4,196,188	3,866,132	3,537,520	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	147,826	144,695	141,610	139,251	137,322	21
COMMERCIAL AND INDUSTRIAL	19,692	18,856	18,217	17,777	17,449	22
PUBLIC STREET AND HIGHWAY LIGHTING	395	400	384	367	362	23
OTHER PUBLIC AUTHORITIES	1	1	1	1	1	24
RAILROADS AND RAILWAYS	-	-	-	-	-	25
INTERDEPARTMENTAL	1	1	1	1	1	26
TOTAL ULTIMATE CONSUMERS	167,915	163,953	160,213	157,397	155,135	27
RESALE	6	6	7	8	7	28
TOTAL CUSTOMERS	167,921	163,959	160,220	157,405	155,142	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 657.62	$ 736.42	$ 766.93	$ 749.08	$ 693.81	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	5,468	5,687	5,767	5,690	5,387	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	12.03	12.95	13.30	13.16	12.88	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 6,187.08	$ 6,959.03	$ 7,328.60	$ 7,206.19	$ 7,042.36	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	73,162	71,792	72,679	71,665	70,936	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	8.46	9.69	10.08	10.06	9.93	35
ELECTRIC OPERATION AND MAINTENANCE EXPENSES						
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 80,224,709	$ 109,595,730	$ 124,643,073	$ 122,208,295	$ 129,190,864	36
OTHER	12,967,434	12,610,619	11,214,959	9,174,869	9,368,440	37
TOTAL STEAM POWER EXPENSES	93,192,143	122,206,349	135,858,032	131,383,164	138,559,304	38
NUCLEAR POWER						
FUEL	-	-	-	-	-	39
OTHER	-	-	-	-	-	40
TOTAL NUCLEAR POWER EXPENSES	-	-	-	-	-	41
HYDRAULIC POWER						
WATER FOR POWER	1,243,051	800,707	1,776,063	1,613,756	1,584,823	42
OTHER	1,111,028	1,129,037	946,982	1,113,011	1,077,912	43
TOTAL HYDRAULIC POWER EXPENSES	2,354,079	1,929,744	2,723,045	2,726,767	2,662,735	44
OTHER POWER GENERATION						
FUEL	337,174	437,524	837,757	881,432	424,060	45
OTHER	884,672	877,014	889,059	882,458	872,073	46
TOTAL OTHER POWER GENERATION EXPENSE	1,221,846	1,314,538	1,726,816	1,763,890	1,296,133	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	28,521,304	42,178,233	52,472,414	44,876,121	33,926,868	48
OTHER	1,037,657	1,086,901	1,114,606	1,478,468	1,354,383	49
TOTAL OTHER POWER SUPPLY EXPENSES	29,558,961	43,265,134	53,587,020	46,354,589	35,281,251	50
TOTAL POWER PRODUCTION EXPENSES	126,327,029	168,715,765	193,894,913	182,228,410	177,799,423	51
TRANSMISSION EXPENSES	5,815,107	4,827,191	5,068,347	4,883,107	4,429,066	52
DISTRIBUTION EXPENSES	13,920,616	13,429,263	12,115,662	10,704,361	10,572,469	53
CUSTOMER ACCOUNTS EXPENSES	7,474,174	6,860,297	7,031,437	6,794,223	6,046,396	54
SALES EXPENSES	1,602,846	1,573,085	1,218,453	929,627	676,526	55
ADMINISTRATIVE AND GENERAL	23,470,753	21,491,005	18,038,964	18,777,070	16,052,397	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 178,610,525	$ 216,896,606	$ 237,357,776	$ 224,316,788	$ 215,676,277	57
ELECTRIC UTILITY PLANT*						
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	$ 20,657	$ 20,657	$ 20,657	$ 20,657	$ 20,657	58
PRODUCTION PLANT						
STEAM	177,664,067	177,735,879	172,836,846	171,975,632	170,057,680	59
NUCLEAR	-	-	-	-	-	60
HYDRAULIC	13,093,315	12,969,644	12,961,983	12,839,162	12,766,467	61
OTHER	5,090,997	5,346,765	5,583,243	1,335,316	1,335,316	62
TRANSMISSION PLANT	87,363,387	87,386,193	86,372,372	86,129,765	85,935,190	63
DISTRIBUTION PLANT	176,027,663	166,069,973	158,321,209	152,168,560	146,803,805	64
GENERAL PLANT	20,930,557	30,164,954	28,995,593	17,380,991	16,841,811	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	-	-	-	-	-	68
TOTAL ELECTRIC PLANT IN SERVICE	480,210,643	479,694,075	465,091,903	441,850,083	433,760,926	69
PLANT LEASED TO OTHERS	-	-	-	-	-	70
PLANT HELD FOR FUTURE USE	4,240,215	4,240,215	4,240,215	4,553,155	4,558,002	71
CONSTRUCTION WORK IN PROGRESS	97,645,324	32,011,683	19,275,364	12,798,439	10,684,270	72
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	73
TOTAL ELECTRIC UTILITY PLANT	582,096,182	515,945,973	488,607,482	459,201,677	449,003,198	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	169,811,223	163,065,039	151,812,663	139,216,653	127,393,032	75
NET ELECTRIC UTILITY PLANT	$ 412,284,959	$ 352,880,934	$ 336,794,819	$ 319,985,024	$ 321,610,166	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 479,694,075	$ 465,091,903	$ 441,850,083	$ 433,760,926	$ 414,575,782	77
ADDITIONS	16,895,475	17,197,713	24,934,721	10,020,407	22,153,836	78
RETIREMENTS	6,118,469	2,585,657	1,608,433	1,714,748	1,714,583	79
TRANSFERS AND ADJUSTMENTS	10,260,438-	9,884-	84,468-	216,502-	1,254,108-	80
PLANT IN SERVICE END OF YEAR	$ 480,210,643	$ 479,694,075	$ 465,091,903	$ 441,850,083	$ 433,760,926	81

*EXCLUDES ALLOCATION OF COMMON PLANT

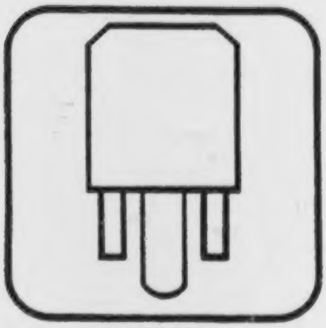
MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

YEARS ENDED DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC.

LINE NO.	ITEM		1986		1985		1984		1983		1982
1	REVENUES - ULTIMATE CONSUMERS	$	232,642,832	$	247,967,416	$	252,087,508	$	241,569,877	$	226,999,703
2	SALES-ULTIMATE CONSUMERS (000 KWH)		2,326,238		2,253,744		2,214,482		2,139,454		2,049,341
							DOLLAR AMOUNTS				
3	FUEL AND PURCHASED POWER	$	63,408,861	$	80,340,595	$	90,461,476	$	89,983,224	$	92,376,187
4	WAGES AND BENEFITS		39,357,651		38,848,329		34,698,682		33,345,631		30,932,711
5	OTHER OPERATION AND MAINTENANCE EXPENSES		27,261,161		23,166,168		20,958,081		19,664,876		18,028,773
6	DEPRECIATION AND AMORTIZATION EXPENSES		16,450,003		16,436,948		16,199,991		15,612,185		13,782,724
7	INCOME TAXES - OPERATING		22,832,424		25,645,012		25,398,447		22,356,539		17,946,476
8	OTHER TAXES - OPERATING		38,800,636		37,861,733		37,246,266		33,179,653		30,213,413
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS		16,696,187		11,453,440		12,607,195		13,476,752		14,107,950
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		2,843,662		3,437,863		3,483,059		3,479,753		3,325,989
11	EARNINGS AVAILABLE FOR COMMON EQUITY		4,992,248		10,777,309		11,044,312		10,471,264		6,285,480
12	TOTAL	$	232,642,832	$	247,967,416	$	252,087,508	$	241,569,877	$	226,999,703
							PERCENT OF REVENUES - ULTIMATE CONSUMERS				
13	FUEL AND PURCHASED POWER		27.3		32.4		35.9		37.2		40.7
14	WAGES AND BENEFITS		16.9		15.7		13.8		13.8		13.6
15	OTHER OPERATION AND MAINTENANCE EXPENSES		11.7		9.3		8.3		8.1		7.9
16	DEPRECIATION AND AMORTIZATION EXPENSES		7.1		6.6		6.4		6.5		6.1
17	INCOME TAXES - OPERATING		9.8		10.3		10.1		9.3		7.9
18	OTHER TAXES - OPERATING		16.7		15.3		14.8		13.7		13.3
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS		7.2		4.6		5.0		5.6		6.2
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		1.2		1.4		1.4		1.4		1.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY		2.1		4.3		4.4		4.3		2.8
22	TOTAL		100.0		100.0		100.0		100.0		100.0
							CENTS PER KWH				
23	FUEL AND PURCHASED POWER		2.73		3.56		4.08		4.21		4.51
24	WAGES AND BENEFITS		1.69		1.72		1.57		1.56		1.51
25	OTHER OPERATION AND MAINTENANCE EXPENSES		1.17		1.03		0.95		0.92		0.88
26	DEPRECIATION AND AMORTIZATION EXPENSES		0.71		0.73		0.73		0.73		0.67
27	INCOME TAXES - OPERATING		0.98		1.14		1.15		1.04		0.88
28	OTHER TAXES - OPERATING		1.67		1.68		1.68		1.55		1.47
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS		0.72		0.51		0.57		0.63		0.69
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		0.12		0.15		0.16		0.16		0.16
31	EARNINGS AVAILABLE FOR COMMON EQUITY		0.21		0.48		0.50		0.49		0.31
32	TOTAL		10.00		11.00		11.38		11.29		11.08
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS		83.65		81.93		82.15		81.74		81.91



POWER

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE BALANCE SHEETS, YEARS ENDED DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

LINE NO.	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	ELECTRIC UTILITY PLANT	$ 2,010,813,059	$ 1,845,454,152	$ 1,640,231,789	$ 1,442,961,749	$ 1,267,179,729
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	512,805,815	481,211,395	437,781,057	398,781,446	356,904,445
3	NET ELECTRIC UTILITY PLANT	1,498,007,244	1,364,242,757	1,202,450,732	1,044,180,303	910,275,284
4	OTHER UTILITY PLANT	329,710,991	311,655,299	308,474,117	292,371,997	278,382,551
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	104,201,306	95,048,261	92,349,591	87,499,399	80,212,431
6	NET OTHER UTILITY PLANT	225,509,686	216,607,038	216,124,526	204,872,598	198,170,120
7	TOTAL UTILITY PLANT	2,340,524,050	2,157,109,451	1,948,705,906	1,735,333,746	1,545,562,280
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	617,007,121	576,259,656	530,130,648	486,280,845	437,116,876
9	NET TOTAL UTILITY PLANT	1,723,516,929	1,580,849,795	1,418,575,258	1,249,052,901	1,108,445,404
10	NONUTILITY PROPERTY LESS ACCUM. PROVISION FOR DEPRECIATION AND AMORTIZATION	27,371	27,371	27,371	27,371	3,573,858
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	2,237,100	2,237,100	2,237,100	2,237,100	-
13	OTHER INVESTMENTS	290,759	290,759	298,759	116,656	116,656
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	2,555,230	2,555,230	2,563,230	2,381,127	3,690,514
16	CASH	1,363,403	1,154,964	903,611	1,701,458	1,096,230
17	SPECIAL DEPOSITS	41,000	5,463,259	8,969,494	1,169,155	5,373,232
18	WORKING FUNDS	114,799	72,079	66,029	233,271	357,932
19	TEMPORARY CASH INVESTMENTS	2,300,000	39,798,414	38,545,798	21,499,861	-
20	NOTES + ACCOUNTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	54,388,776	66,308,759	67,572,961	72,406,539	73,336,960
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
22	MATERIALS AND SUPPLIES	24,222,370	21,013,566	26,879,942	28,673,396	34,989,937
23	PREPAYMENTS	11,322,946	10,186,115	8,098,717	9,856,541	9,309,686
24	OTHER CURRENT AND ACCRUED ASSETS	66,312	183,744	64,591	184,798	238,388
25	TOTAL CURRENT AND ACCRUED ASSETS	93,819,606	144,180,900	151,101,143	135,725,029	124,702,355
26	UNAMORTIZED DEBT EXPENSE	12,022,078	9,081,381	8,000,189	7,293,542	6,427,564
27	EXTRAORDINARY PROPERTY LOSSES	42,576,501	48,116,001	34,479,446	37,379,391	39,986,677
28	PREL. SURVEY + INVESTIGATION CHARGES	1,499,151	1,705,398	1,088,688	1,696,130	1,963,216
29	CLEARING ACCOUNTS	-	-	-	-	-
30	DEFERRED LOSSES FROM DISP. OF UTILITY PLANT	-	-	-	-	-
31	RESEARCH AND DEVELOPMENT	422,963	52,536-	2,063,209	4,779,231	6,010,107
32	ACCUMULATED DEFERRED INCOME TAXES	10,424,822	9,912,541	14,699,384	15,045,009	25,599,358
33	OTHER DEFERRED DEBITS	40,801,785	13,513,143	1,396,145	24,983,673	27,352,364
34	TOTAL DEFERRED DEBITS	107,747,290	82,275,929	61,727,062	91,178,976	106,929,286
35	TOTAL ASSETS AND OTHER DEBITS	$ 1,927,639,055	$ 1,809,861,854	$ 1,633,966,693	$ 1,478,338,033	$ 1,343,767,559
	LIABILITIES AND OTHER CREDITS					
36	COMMON STOCK ISSUED	$ 146,235,435	$ 142,484,495	$ 128,382,435	$ 122,032,115	$ 109,966,955
37	PREFERRED STOCK ISSUED	112,110,000	114,547,500	144,187,500	144,187,500	145,000,000
38	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
39	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
40	PREMIUM ON CAPITAL STOCK	345,652,805	330,575,694	287,771,904	274,591,452	243,717,532
41	OTHER PAID-IN CAPITAL	341,284	376,357	102,139	102,139	-
42	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
43	CAPITAL STOCK EXPENSE	12,525,240-	12,359,142-	11,340,117-	11,466,987-	10,782,749-
44	RETAINED EARNINGS	249,505,014	216,794,787	179,675,826	153,142,070	119,799,019
45	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
46	REACQUIRED CAPITAL STOCK	-	-	-	-	-
47	TOTAL PROPRIETARY CAPITAL	841,319,298	792,419,691	728,779,687	682,588,289	607,700,757
48	BONDS (LESS BONDS REACQUIRED)	698,750,000	676,500,000	636,500,000	611,500,000	641,167,000
49	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
50	OTHER LONG-TERM DEBT	91,900,000	91,900,000	51,700,000	-	-
51	NET UNAMORTIZED PREMIUM + DISCOUNT	181,608	139,341-	181,583-	217,792-	254,001-
52	TOTAL LONG-TERM DEBT	790,831,608	768,260,659	688,018,417	611,282,208	640,912,999
53	NOTES PAYABLE	18,000,000	-	-	-	40,000,000
54	ACCOUNTS PAYABLE	26,618,322	44,258,476	43,472,318	54,134,270	34,334,083
55	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
56	CUSTOMER DEPOSITS	2,001,176	1,600,350	1,262,167	765,656	627,821
57	TAXES ACCRUED	3,681,987-	1,299,052	7,308,458	4,501,420	6,464,883
58	INTEREST ACCRUED	14,235,797	14,594,970	13,276,409	12,862,581	14,265,974
59	DIVIDENDS DECLARED	18,069,593	17,718,413	16,849,210	59,923	92,510
60	TAX COLLECTIONS PAYABLE	1,624,967	1,480,388	1,199,983	1,234,167	1,170,693
61	OTHER CURRENT AND ACCRUED LIABILITIES	11,065,824	7,958,557	7,064,370	7,254,679	12,350,990
62	TOTAL CURRENT AND ACCRUED LIABILITIES	87,833,702	88,910,206	90,432,905	80,812,696	109,306,954
63	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	2,000	4,000
64	DEFERRED GAINS FROM DISP. OF UTILITY PLANT	-	-	-	-	-
65	ACCUM. DEFERRED INVESTMENT TAX CREDITS	86,156,106	76,011,458	66,052,852	37,241,053	24,923,141
66	OTHER DEFERRED CREDITS	46,494,416	22,453,671	11,562,502	16,671,812	11,424,915
	ACCUMULATED DEFERRED INCOME TAXES,					
67	ACCELERATED AMORTIZATION	-	-	-	-	-
68	LIBERALIZED DEPRECIATION	62,402,121	41,178,286	33,009,606	24,052,649	19,206,360
69	OTHER	21,279,534	19,325,619	14,704,522	24,522,940	29,690,827
70	TOTAL DEFERRED CREDITS	206,332,177	158,969,034	125,329,481	102,490,454	85,249,243
71	PROPERTY INSURANCE RESERVE	758,845	463,115	288,583	104,472	3,222
72	INJURIES AND DAMAGE RESERVE	563,425	839,149	1,117,620	1,059,914	594,384
73	PENSION AND BENEFITS RESERVE	-	-	-	-	-
74	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
75	TOTAL OPERATING RESERVES	1,322,270	1,302,264	1,406,203	1,164,386	597,606
76	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,927,639,055	$ 1,809,861,854	$ 1,633,966,693	$ 1,478,338,033	$ 1,343,767,559

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS
ROCHESTER GAS AND ELECTRIC CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNING STATEMENTS						
ELECTRIC UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 486,961,648	$ 473,553,467	$ 476,959,124	$ 463,591,606	$ 405,698,146	1
OPERATION AND MAINTENANCE EXPENSE	232,399,960	223,787,386	248,749,561	255,421,064	237,677,721	2
DEPRECIATION EXPENSE	38,136,588	34,803,696	31,830,025	29,961,981	28,324,368	3
AMORTIZATION	5,617,804	4,211,221	2,978,248	2,685,591	1,103,946	4
TAXES OTHER THAN INCOME TAXES	61,313,417	58,867,221	59,215,611	57,930,964	52,956,276	5
INCOME TAXES	30,082,325	22,761,038	36,519,155	15,076,574	6,596,115	6
PROVISION FOR DEFERRED INCOME TAXES	20,319,347	24,866,576	23,266,130	43,900,796	42,783,590	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	1,649,532	4,439,822	12,374,860-	24,638,336-	31,389,334-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	13,300	-	-	11
TOTAL OPERATING EXPENSES	389,517,973	373,736,959	390,196,170	380,338,614	338,072,679	12
NET OPERATING REVENUES	97,443,675	99,816,508	86,762,954	83,252,992	67,625,467	13
INC. FROM LSD. PLT. & OTHER OPER. INC	-	-	-	-	-	14
ELECTRIC UTILITY OPERATING INCOME	97,443,675	99,816,508	86,762,954	83,252,992	67,625,467	15
OTHER UTILITY OPERATING INCOME	18,377,793	19,437,518	22,301,523	15,571,368	17,443,975	16
TOTAL UTILITY OPERATING INCOME	115,821,468	119,254,026	109,064,477	98,824,360	85,069,442	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	397-	-	1,320	8,893-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	-	-	15,329	26,559	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S.	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	1,456,100	5,099,936	2,637,144	2,394,727	1,518,434	22
ALLOWANCE FOR CONSTRUCTION FUNDS	44,805,667	52,732,548	46,522,889	36,091,814	28,715,430	23
MISCELLANEOUS NONOPERATING INCOME	5,344,106	306,575-	1,158,391-	332,096	321,825	24
GAIN ON DISPOSITION OF PROPERTY	461,281	10,665	24,083	15,270	32,901	25
TOTAL OTHER INCOME	52,067,154	57,536,177	48,025,725	38,850,555	30,606,256	26
TOTAL INCOME	167,888,622	176,790,203	157,090,202	137,674,915	115,675,698	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	27,471	70,541	83,082	122,988	87,944	28
INCOME TAXES-NONOPERATING	13,880,533-	13,344,232-	13,355,508-	9,724,206-	8,486,922-	29
LOSS ON DISPOSITION OF PROPERTY	-	8,177,216	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	283,684	378,420	378,420	378,420	31
MISCELLANEOUS INCOME DEDUCTIONS	509,338	534,325	779,774	904,566	868,579	32
TOTAL INCOME DEDUCTIONS	13,343,725-	4,278,466-	12,114,232-	8,318,231-	7,151,979-	33
INCOME BEFORE INTEREST CHARGES	181,232,348	181,068,669	169,204,434	145,993,146	122,827,677	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	74,570,833	70,372,960	63,103,083	56,760,888	48,327,328	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	1,147,134	833,145	750,366	670,573	519,235	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	32,411-	33,617-	39,651-	39,651-	40,473-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	1,027,945	1,427,700	1,772,539	2,353,501	3,981,897	39
TOTAL INTEREST CHARGES	76,713,501	72,600,188	65,586,337	59,745,311	52,787,987	40
INCOME BEFORE EXTRAORDINARY ITEMS	104,518,847	108,468,481	103,618,097	86,247,835	70,039,690	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 104,518,847	$ 108,468,481	$ 103,618,097	$ 86,247,835	$ 70,039,690	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 216,752,440	$ 179,633,479	$ 153,099,723	$ 119,756,672	$ 104,789,374	47
BALANCE TRANSFERRED FROM INCOME	104,518,847	108,468,481	103,618,097	86,247,835	70,039,690	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	8,057,705	9,467,448	12,212,814	10,514,708	10,538,000	50
-COMMON STOCK	63,750,915	61,882,072	64,871,527	42,390,076	44,534,392	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	249,462,667	216,752,440	179,633,479	153,099,723	119,756,672	53
APPROPRIATED RETAINED EARNINGS	42,347	42,347	42,347	42,347	42,347	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS, END OF YEAR	$ 249,505,014	$ 216,794,787	$ 179,675,826	$ 153,142,070	$ 119,799,019	56
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	1.07	1.62	1.67	1.68	1.14	57
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	48.4	49.2	48.5	47.2	47.0	58
PREFERRED STOCK	8.8	7.3	10.1	11.1	12.6	59
COMMON STOCK AND OTHER PAID-IN CAPITAL	29.3	29.5	28.5	29.7	29.8	60
RETAINED EARNINGS	15.2	13.8	12.0	11.8	10.4	61
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	33.7	35.6	35.3	35.2	34.9	62
ACCUM PROVISION FOR DEPR: % OF UTILITY PLT	26.3	26.7	27.2	28.0	28.2	63
SELECTED INCOME ACCOUNT RELATIONSHIPS						
ELECTRIC OPERATING REVENUES: % OF TOTAL OPERATING REVENUES	65.0	62.5	60.8	61.3	59.4	64
PERCENT OF ELECTRIC OPERATING REVENUES:						
ELECTRIC OPERATION AND MAINTENANCE	47.7	47.2	52.1	55.0	58.5	65
ELECTRIC DEPRECIATION AND AMORTIZATION	8.9	8.2	7.2	7.0	7.2	66
TOTAL INCOME TAXES-ELECTRIC, OPERATING	10.6	10.9	9.9	7.4	4.4	67
OTHER TAXES-ELECTRIC, OPERATING	12.5	12.4	12.4	12.4	13.0	68
TOTAL ELECTRIC OPERATING EXPENSE	83.5	78.9	81.8	82.0	83.3	69
ELECTRIC OPERATING INCOME	20.0	21.0	18.1	17.9	16.6	70
INTEREST EXPENSE:						
PRETAX COVERAGE	3.0	3.1	3.3	2.9	2.6	71
NET INCOME-PERCENT OF OPERATING REVENUES	13.9	14.3	13.2	11.4	10.2	72
DIVIDEND APPROPRIATIONS,COMMON STOCK: % OF EARNINGS AVAILABLE FOR COMMON	66.0	62.5	70.9	55.9	74.8	73
PERCENT OF AVERAGE COMMON EQUITY: EARNINGS AVAILABLE FOR COMMON STOCK	13.7	15.6	16.2	15.1	13.6	74

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MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS AND ELECTRIC SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

LINE NO.	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 104,518,847	$ 108,468,481	$ 103,618,097	$ 86,247,835	$ 70,039,690
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	72,032,196	66,849,396	59,294,449	57,795,965	53,752,322
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	22,810,117	27,535,227	28,203,456	22,460,219	14,110,446
4	INTEREST CAPITALIZED	44,805,668-	52,732,548-	46,522,889-	36,091,814-	28,715,430-
5	OTHER (NET)	3,580,839	9,281,421-	11,390,108	17,274,526	2,611,819-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	158,136,330	139,839,135	155,983,221	147,686,731	106,575,209
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	158,136,330	139,839,135	155,983,221	147,686,731	106,575,209
10	LESS DIVIDENDS: PREFERRED	8,057,705	9,467,448	12,212,814	10,514,708	10,538,000
11	COMMON	63,750,915	61,882,072	64,871,527	42,390,076	36,109,224
12	NET FUNDS FROM INTERNAL SOURCES	86,327,710	68,489,615	78,898,880	94,781,947	59,927,985
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	75,000,000	50,000,000	25,000,000	100,000,000	60,500,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	18,828,051	56,905,850	19,530,772	42,939,080	32,824,401
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	40,000,000
17	OTHER (NET)	17,964,927	40,474,218	51,700,000	102,139	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	111,792,978	147,380,068	96,230,772	143,041,219	133,324,401
20	OTHER SOURCES (NET)	30,672,948	13,878,362	10,037,160	1,594,066	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 228,793,636	$ 229,748,045	$ 185,166,812	$ 239,417,232	$ 193,252,386
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	ELECTRIC PLANT	$ 36,163,520	$ 29,319,237	$ 27,407,531	$ 31,967,241	$ 68,610,762
25	NUCLEAR PLANT	136,425,955	176,198,177	156,648,606	138,067,672	70,544,081
26	NUCLEAR FUEL	15,688,065	16,655,510	19,775,779	16,678,479	17,318,115
27	GAS PLANT	13,151,629	12,316,238	11,434,160	11,493,393	11,336,074
28	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
29	STEAM PLANT	588,532-	112,084	134,685	117,048	370,185
30	NON-UTILITY PLANT	-	-	-	-	-
31	OTHER	7,778,995	8,240,347	10,530,509	4,727,831	5,426,388
32	TOTAL GROSS ADDITIONS	208,619,622	242,840,593	225,931,270	203,051,664	173,605,605
33	LESS INTEREST CAPITALIZED	44,805,668	52,732,548	46,522,889	36,091,814	28,715,430
34	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	163,813,954	190,108,045	179,408,381	166,959,850	144,890,175
	RETIREMENT OF DEBT AND SECURITIES					
35	LONG TERM DEBT	52,750,000	10,000,000	-	29,667,000	6,000,000
36	PREFERRED STOCK	2,437,500	1,640,000	-	812,500	-
37	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
38	NET DECREASE IN SHORT TERM DEBT	-	-	-	40,000,000	-
39	OTHER (NET)	-	28,000,000	-	-	-
40						
41	TOTAL RETIREMENT OF DEBT AND SECURITIES	55,187,500	39,640,000	-	70,479,500	6,000,000
42	OTHER USES (NET)	9,792,182	-	5,758,431	1,977,882	42,362,211
43						
44						
45	TOTAL FUNDS APPLIED	$ 228,793,636	$ 229,748,045	$ 185,166,812	$ 239,417,232	$ 193,252,386

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO.
ELECTRIC OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 166,664,365	$ 155,193,512	$ 147,500,162	$ 143,456,486	$ 129,201,644	1
COMMERCIAL AND INDUSTRIAL	253,397,803	232,425,664	227,679,659	222,207,534	200,657,128	2
PUBLIC STREET AND HIGHWAY LIGHTING	10,238,810	10,560,615	10,587,882	10,705,227	9,953,570	3
OTHER PUBLIC AUTHORITIES	30,301,831	27,654,453	27,789,704	29,049,604	25,630,889	4
RAILROADS AND RAILWAYS	-	-	-	-	-	5
INTERDEPARTMENTAL	-	-	-	-	-	6
TOTAL REVENUES FROM ULTIMATE CONSUMERS	460,602,809	425,835,244	413,557,407	405,417,851	365,443,231	7
RESALE	20,465,456	44,103,222	60,103,580	55,643,595	38,481,010	8
TOTAL REVENUES FROM ELECTRIC SALES	481,068,265	469,938,466	473,660,987	461,061,446	403,924,241	9
OTHER ELECTRIC OPERATING REVENUES	5,893,383	3,615,001	3,298,137	2,530,160	1,773,905	10
TOTAL ELECTRIC OPERATING REVENUES	$ 486,961,648	$ 473,553,467	$ 476,959,124	$ 463,591,606	$ 405,698,146	11
KILOWATT-HOUR SALES (THOUSANDS)						
RESIDENTIAL	1,890,293	1,846,993	1,834,564	1,788,785	1,757,252	12
COMMERCIAL AND INDUSTRIAL	3,433,328	3,406,130	3,323,077	3,101,523	3,035,236	13
PUBLIC STREET AND HIGHWAY LIGHTING	44,861	46,321	48,002	50,431	52,147	14
OTHER PUBLIC AUTHORITIES	407,895	405,821	404,187	411,658	393,358	15
RAILROADS AND RAILWAYS	-	-	-	-	-	16
INTERDEPARTMENTAL	-	-	-	-	-	17
TOTAL SALES TO ULTIMATE CONSUMERS	5,776,377	5,705,265	5,609,830	5,352,397	5,237,992	18
RESALE	925,318	1,404,504	1,554,392	1,370,239	1,131,143	19
TOTAL KILOWATT-HOUR SALES	6,701,695	7,109,769	7,164,222	6,722,636	6,369,135	20
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	279,666	275,235	270,572	266,587	263,413	21
COMMERCIAL AND INDUSTRIAL	27,923	27,263	26,745	26,251	26,022	22
PUBLIC STREET AND HIGHWAY LIGHTING	244	237	183	156	154	23
OTHER PUBLIC AUTHORITIES	2,040	2,042	2,031	2,016	2,057	24
RAILROADS AND RAILWAYS	-	-	-	-	-	25
INTERDEPARTMENTAL	-	-	-	-	-	26
TOTAL ULTIMATE CONSUMERS	309,873	304,777	299,531	295,010	291,646	27
RESALE	8	8	8	8	8	28
TOTAL CUSTOMERS	309,881	304,785	299,539	295,018	291,654	29
ELECTRIC OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 595 94	$ 563 86	$ 545 14	$ 538 12	$ 490.49	30
AVERAGE KWH CONSUMPTION PER CUSTOMER	6,759	6,711	6,780	6,710	6,671	31
AVERAGE REVENUE PER KWH SOLD (CENTS)	8 82	8 40	8.04	8 02	7.35	32
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 9,074 88	$ 8,525 35	$ 8,512 98	$ 8,464 73	$ 7,711.06	33
AVERAGE KWH CONSUMPTION PER CUSTOMER	122,957	124,936	124,250	118,149	116,641	34
AVERAGE REVENUE PER KWH SOLD (CENTS)	7 38	6 82	6 85	7 16	6.61	35
ELECTRIC OPERATION AND MAINTENANCE EXPENSES						
POWER PRODUCTION EXPENSES						
STEAM POWER						
FUEL	$ 36,973,059	$ 53,547,059	$ 73,159,096	$ 77,253,036	$ 65,013,563	36
OTHER	16,752,935	12,026,467	11,715,784	10,182,566	10,287,068	37
TOTAL STEAM POWER EXPENSES	53,725,994	65,573,526	84,874,880	87,435,602	75,300,631	38
NUCLEAR POWER						
FUEL	18,747,249	18,163,123	17,340,760	18,954,214	17,469,589	39
OTHER	37,389,011	31,609,327	32,678,983	26,955,130	29,570,446	40
TOTAL NUCLEAR POWER EXPENSES	56,136,260	49,772,450	50,019,743	45,909,344	47,040,035	41
HYDRAULIC POWER						
WATER FOR POWER	289,561	189,652	289,975	224,728	242,969	42
OTHER	1,844,132	1,426,299	1,213,881	955,002	869,998	43
TOTAL HYDRAULIC POWER EXPENSES	2,133,693	1,615,951	1,503,856	1,179,730	1,112,967	44
OTHER POWER GENERATION						
FUEL	127,294	216,643	85,592	686,075	2,191,435	45
OTHER	131,052	487,651	93,922	173,770	149,380	46
TOTAL OTHER POWER GENERATION EXPENSE	258,346	704,294	179,514	859,845	2,340,815	47
OTHER POWER SUPPLY EXPENSES						
PURCHASED POWER	30,144,285	27,803,662	35,772,266	35,538,153	45,920,676	48
OTHER	1,049,888	843,734	757,483	689,357	870,995	49
TOTAL OTHER POWER SUPPLY EXPENSES	31,194,173	28,647,396	36,529,749	36,227,510	46,791,671	50
TOTAL POWER PRODUCTION EXPENSES	143,448,466	146,313,617	173,107,742	171,612,031	172,586,119	51
TRANSMISSION EXPENSES	9,218,869	9,070,837	8,793,496	8,589,931	7,840,741	52
DISTRIBUTION EXPENSES	20,038,132	19,686,495	18,852,823	18,758,340	17,999,756	53
CUSTOMER ACCOUNTS EXPENSES	8,519,468	8,581,194	10,335,647	10,984,280	9,358,027	54
SALES EXPENSES	2,404,592	2,375,094	2,384,893	2,238,151	1,957,095	55
ADMINISTRATIVE AND GENERAL	48 572,428	37,760,148	35,274,950	43,238,331	27,935,983	56
TOTAL ELECTRIC OPERATION/MAINTENANCE EXPENSES	$ 232,339,960	$ 223,787,385	$ 248,749,551	$ 255,421,064	$ 237,677,721	57
ELECTRIC UTILITY PLANT*						
ELECTRIC UTILITY PLANT						
ELECTRIC PLANT IN SERVICE						
INTANGIBLE PLANT	-	-	-	-	-	58
PRODUCTION PLANT						
STEAM	182,933,689	190,644,420	186,672,265	183,287,098	179,799,229	59
NUCLEAR	296,720,655	255,067,385	236,070,721	214,984,615	182,754,383	60
HYDRAULIC	15,815,664	13,769,459	11,384,525	10,750,979	10,675,413	61
OTHER	3,574,133	3,572,780	3,572,780	3,552,832	3,526,689	62
TRANSMISSION PLANT	145,395,865	143,755,487	142,217,676	135,701,723	131,699,440	63
DISTRIBUTION PLANT	334,273,755	316,217,634	303,751,220	289,861,168	277,144,571	64
GENERAL PLANT	13,665,855	17,922,827	22,568,342	11,839,730	10,266,737	65
ELECTRIC PLANT PURCHASED OR SOLD	-	-	-	-	-	66
EXPERIMENTAL ELECTRIC PLT UNCLASSIFIED	-	-	-	-	-	67
NUCLEAR FUEL ASSEMBLIES	211,751,952	196,858,845	181,011,836	161,538,557	145,112,578	68
TOTAL ELECTRIC PLANT IN SERVICE	1,204,121,568	1,137,808,837	1,087,249,365	1,011,516,702	940,979,040	69
PLANT LEASED TO OTHERS	-	-	-	-	-	70
PLANT HELD FOR FUTURE USE	1,978,198	1,978,198	1,963,835	2,025,350	2,025,350	71
CONSTRUCTION WORK IN PROGRESS	802,520,774	703,396,293	548,669,461	426,992,265	321,869,602	72
PLANT ACQUISITION ADJUSTMENTS	2,192,519	2,270,824	2,349,128	2,427,432	2,505,737	73
TOTAL ELECTRIC UTILITY PLANT	2,010,813,059	1,845,454,152	1,640,231,789	1,442,961,749	1,267,179,729	74
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	512,805,815	481,211,395	437,781,057	398,781,446	356,904,445	75
NET ELECTRIC UTILITY PLANT	$ 1,498,007,244	$ 1,364,242,757	$ 1,202,450,732	$ 1,044,180,303	$ 910,275,284	76
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,137,808,836	$ 1,087,249,365	$ 1,011,516,702	$ 940 979,040	$ 876,776,663	77
ADDITIONS	85,742,634	55,656,138	67,958,705	72,685,564	68,667,763	78
RETIREMENTS	19,328,988	5,237,933	5,253,811	3,319,164	2,981,085	79
TRANSFERS AND ADJUSTMENTS	100,913-	141,267	13,027,769	1,171,262	1,484,301-	80
PLANT IN SERVICE END OF YEAR	$ 1,204,121,568	$ 1,137,808,837	$ 1,087,249,365	$ 1,011,516,702	$ 940,979,040	81

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING ELECTRIC SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF ELECTRIC REVENUES FROM ULTIMATE CONSUMERS

YEARS ENDED DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

LINE NO.	ITEM	1986	1985	1984	1983	1982
1	REVENUES - ULTIMATE CONSUMERS	$ 466,496,192	$ 429,450,245	$ 416,855,544	$ 407,948,011	$ 367,217,136
2	SALES-ULTIMATE CONSUMERS (000 KWH)	5,776,377	5,705,265	5,609,829	5,352,396	5,237,992
				DOLLAR AMOUNTS		
3	FUEL AND PURCHASED POWER	$ 66,018,752	$ 65,254,171	$ 85,153,864	$ 92,750,050	$ 96,053,583
4	WAGES AND BENEFITS	73,276,932	70,656,864	67,492,406	63,422,753	60,110,600
5	OTHER OPERATION AND MAINTENANCE EXPENSES	71,916,262	51,805,878	53,068,364	57,971,866	45,597,747
6	DEPRECIATION AND AMORTIZATION EXPENSES	43,753,392	39,014,917	34,808,273	32,647,552	29,428,311
7	INCOME TAXES - OPERATING	52,051,204	52,067,436	47,409,435	34,339,034	18,010,371
8	OTHER TAXES - OPERATING	61,313,417	58,867,221	59,215,611	57,930,964	52,956,276
9	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	46,206,544	37,624,467	33,358,275	31,558,717	30,441,876
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	4,690,521	5,079,992	5,704,507	5,715,066	6,423,776
11	EARNINGS AVAILABLE FOR COMMON EQUITY	47,269,168	49,079,299	29,644,809	31,602,009	28,194,596
12	TOTAL	$ 466,496,192	$ 429,450,245	$ 416,855,544	$ 407,948,011	$ 367,217,136
				PERCENT OF REVENUES - ULTIMATE CONSUMERS		
13	FUEL AND PURCHASED POWER	14.2	15.2	20.4	22.7	26.2
14	WAGES AND BENEFITS	15.7	16.5	16.2	15.5	16.4
15	OTHER OPERATION AND MAINTENANCE EXPENSES	15.4	12.1	12.7	14.2	12.4
16	DEPRECIATION AND AMORTIZATION EXPENSES	9.4	9.1	8.4	8.0	8.0
17	INCOME TAXES - OPERATING	11.2	12.1	11.4	8.4	4.9
18	OTHER TAXES - OPERATING	13.1	13.7	14.2	14.2	14.4
19	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	9.9	8.8	8.0	7.7	8.3
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.0	1.2	1.6	1.4	1.7
21	EARNINGS AVAILABLE FOR COMMON EQUITY	10.1	11.4	7.1	7.7	7.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER KWH		
23	FUEL AND PURCHASED POWER	1.14	1.14	1.51	1.73	1.83
24	WAGES AND BENEFITS	1.27	1.24	1.20	1.18	1.15
25	OTHER OPERATION AND MAINTENANCE EXPENSES	1.25	0.91	0.95	1.08	0.87
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.76	0.68	0.62	0.61	0.56
27	INCOME TAXES - OPERATING	0.90	0.91	0.85	0.64	0.34
28	OTHER TAXES - OPERATING	1.06	1.03	1.06	1.08	1.01
29	*INTEREST CHARGES - NET OF AFC AND TAX BENEFITS ON BORROWED FUNDS	0.80	0.66	0.59	0.59	0.58
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.08	0.09	0.12	0.11	0.12
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.82	0.86	0.53	0.59	0.54
32	TOTAL	8.08	7.53	7.43	7.62	7.01
	* STARRED ITEMS ARE ALLOCATED TO ELECTRIC OPERATIONS BASED ON THE RATIO OF NET ELECTRIC PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS:	89.59	89.03	87.49	86.17	84.85

SECTION II.

GAS SERVICE COMPANIES

Balance Sheets

Income Statements

Statements of Changes in Financial Position

Statements of Revenue, Plant, and Operation and Maintenance

Distribution of Gas Revenues

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

BROOKLYN UNION GAS COMPANY, THE

LINE NO.	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 960,998,399	$ 901,135,110	$ 836,248,576	$ 779,651,540	$ 727,185,861
2	ACCUM. PROVISION FOR DEPR. AND AMORT	239,480,380	219,239,118	200,918,570	183,953,129	167,355,487
3	NET GAS UTILITY PLANT	721,518,019	681,895,992	635,330,006	595,698,411	559,830,374
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM. PROVISION FOR DEPR. AND AMORT	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	960,998,399	901,135,110	836,248,576	779,651,540	727,185,861
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	239,480,380	219,239,118	200,918,570	183,953,129	167,355,487
9	NET TOTAL UTILITY PLANT	721,518,019	681,895,992	635,330,006	596,698,411	559,830,374
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	152,695	130,867	476,183	51,316	51,316
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	22,724,100	34,915,553	33,862,172	32,551,467	26,298,404
13	OTHER INVESTMENTS	2,654,033	629,700	409,700	409,700	417,565
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	25,530,828	35,676,120	34,748,055	33,012,483	26,767,285
16	CASH	4,828,108	3,995,265	3,820,818	2,877,785	2,548,799
17	SPECIAL DEPOSITS	879,196	851,832	551,861	610,578	657,693
18	WORKING FUNDS	175,000	175,000	145,000	141,675	140,000
19	TEMPORARY CASH INVESTMENTS	33,997,500	23,436,669	-	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	23,771,256	13,529,978	25,758,465	44,476,270	27,828,967
21	RECEIVABLES FROM ASSOCIATED COMPANIES	1,460,051	671,261	871,228	538,777	580,775
22	MATERIALS AND SUPPLIES	19,220,021	14,114,193	17,152,303	14,450,010	14,982,810
23	GAS STORED UNDERGROUND-CURRENT	9,113,468	3,936,873	3,682,098	3,749,012	2,534,001
24	LIQUEFIED NATURAL GAS IN STORAGE	6,199,023	6,191,923	5,682,831	4,923,790	4,421,286
25	PREPAYMENTS	71,473,587	97,993,890	96,395,009	96,332,265	114,029,107
26	OTHER CURRENT AND ACCRUED ASSETS	124,847,434	137,551,519	113,141,058	127,446,192	95,900,031
27	TOTAL CURRENT AND ACCRUED ASSETS	295,964,644	302,448,403	267,200,671	295,546,334	263,623,469
28	UNAMORTIZED DEBT EXPENSE	9,527,444	7,668,324	3,209,585	3,510,332	1,816,908
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL. SURVEY + INVESTIGATION CHARGES	1,746,617	291,593	336,124	103,386	378,944
31	CLEARING ACCOUNTS	107,101	639,908	792,874	413,365	621,159
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	2,054,694-	1,612,178-	1,123,734-	453,159-	512,324
34	ACCUMULATED DEFERRED INCOME TAXES	751,805	200,477	1,872,806	753,476	10,071-
35	OTHER DEFERRED DEBITS	17,084,150	8,963,284	26,596,476	16,982,965	28,496,342
36	TOTAL DEFERRED DEBITS	27,162,423	16,151,408	31,684,131	21,310,369	31,815,606
37	TOTAL ASSETS AND OTHER DEBITS	$ 1,070,175,914	$ 1,036,171,923	$ 968,962,863	$ 945,567,597	$ 882,036,734
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 11,100,508	$ 10,741,921	$ 10,304,445	$ 9,836,532	$ 8,451,446
39	PREFERRED STOCK ISSUED	55,400,000	77,000,000	78,600,000	80,200,000	81,800,000
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	141,989,209	125,141,761	109,266,786	95,808,903	57,139,970
43	OTHER PAID-IN CAPITAL	60,444,915	60,471,290	60,340,150	60,098,455	60,009,786
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	-	-	-	-	-
46	RETAINED EARNINGS	204,191,753	185,629,629	166,736,657	150,038,033	134,920,407
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	17,072,471-	2,636,789-	2,215,170-	2,950,876-	2,233,941-
48	REACQUIRED CAPITAL STOCK	406,900-	1,138,800-	1,715,375-	2,140,525-	3,051,525-
49	TOTAL PROPRIETARY CAPITAL	455,647,014	455,209,012	421,317,493	390,890,522	337,036,143
50	BONDS (LESS BONDS REACQUIRED)	346,228,751	335,316,926	261,719,633	241,781,322	236,837,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	785,714	1,178,571	1,571,429	1,964,286	2,357,143
53	NET UNAMORTIZED PREMIUM + DISCOUNT	471,456-	958,754-	1,079,061-	1,250,416-	860,499-
54	TOTAL LONG TERM DEBT	346,543,009	335,536,743	262,212,001	242,495,192	238,333,644
55	NOTES PAYABLE	-	-	47,034,265	74,401,755	91,950,000
56	ACCOUNTS PAYABLE	63,679,695	67,189,863	59,111,425	64,895,721	66,655,394
57	PAYABLES TO ASSOCIATED COMPANIES	2,686,613	2,321,571	1,947,125	2,763,459	3,449,175
58	CUSTOMER DEPOSITS	15,302,624	14,872,503	12,727,277	11,596,838	10,537,565
59	TAXES ACCRUED	41,989,121	34,612,016	32,329,064	42,340,506	28,776,872
60	INTEREST ACCRUED	9,327,844	10,397,018	9,270,125	8,545,827	8,966,309
61	DIVIDENDS DECLARED	9,617,536	9,085,815	8,181,690	7,551,019	6,343,970
62	TAX COLLECTIONS PAYABLE	3,980,521	3,500,881	4,417,043	4,611,613	4,102,394
63	OTHER CURRENT AND ACCRUED LIABILITIES	28,168,289	19,356,286	26,007,246	20,968,029	21,700,274
64	TOTAL CURRENT AND ACCRUED LIABILITIES	174,752,243	161,335,753	201,025,260	237,674,767	242,481,953
65	CUSTOMER ADVANCES FOR CONSTRUCTION	563,000	382,000	382,000	-	-
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	29,840,791	29,768,980	25,724,404	20,701,220	16,171,834
68	OTHER DEFERRED CREDITS	3,309,895	2,962,531	5,576,143	3,203,862	1,814,596
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	-	-	-	-	-
70	LIBERALIZED DEPRECIATION	48,705,579	41,363,091	34,290,561	27,061,138	20,729,652
71	OTHER	7,086,450	6,214,085	15,038,179	20,414,677	22,903,499
72	TOTAL DEFERRED CREDITS	89,505,715	80,690,687	81,011,287	71,380,897	61,619,581
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	3,012,490	2,702,700	2,747,975	2,543,422	2,031,364
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	715,443	697,028	648,847	582,797	534,049
77	TOTAL OPERATING RESERVES	3,727,933	3,399,728	3,396,822	3,126,219	2,565,413
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,070,175,914	$ 1,036,171,923	$ 968,962,863	$ 945,567,597	$ 882,036,734

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

BROOKLYN UNION GAS COMPANY, THE

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 952,919,175	$ 1,004,627,971	$ 1,003,715,390	$ 952,223,534	$ 850,933,706	1
OPERATION AND MAINTENANCE EXPENSE	677,155,847	734,131,442	745,206,527	708,696,837	630,188,079	2
DEPRECIATION EXPENSE	23,578,028	22,229,564	21,158,701	19,737,832	17,691,514	3
AMORTIZATION	541,021	410,439	731,039	566,297	834,037	4
TAXES OTHER THAN INCOME TAXES	116,542,667	118,700,770	114,987,473	106,832,177	93,478,688	5
INCOME TAXES	34,956,623	43,831,553	35,076,645	30,713,281	12,976,288	6
PROVISION FOR DEFERRED INCOME TAXES	69,979,762	56,749,831	59,557,141	72,767,504	70,433,934	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	61,166,143-	58,485,949-	57,686,357-	68,958,142-	51,086,867-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	861,588,805	917,567,650	919,031,169	870,355,786	774,515,673	12
NET OPERATING REVENUES	91,330,370	87,060,321	84,684,221	81,867,748	76,418,033	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	91,330,370	87,060,321	84,684,221	81,867,748	76,418,033	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	91,330,370	87,060,321	84,684,221	81,867,748	76,418,033	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	107,639	20,186	92,397	144,886-	90,604-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	6,511	7,196	26,370	53,853	23,238	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	13,871,793-	357,731-	799,593	653,048-	338,922	21
INTEREST AND DIVIDEND INCOME	4,094,604	5,342,543	3,853,288	2,482,586	1,135,925	22
ALLOWANCE FOR CONSTRUCTION FUNDS	1,022,090	1,147,673	759,467	756,658	693,880	23
MISCELLANEOUS NONOPERATING INCOME	285,608	706,616	836,022	563,352	1,031,720	24
GAIN ON DISPOSITION OF PROPERTY	429,206	-	-	-	-	25
TOTAL OTHER INCOME	7,926,135-	6,866,482	6,367,137	3,058,515	3,133,081	26
TOTAL INCOME	83,404,235	93,926,803	91,051,358	84,926,263	79,551,114	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	256,219	177,947	300,491	264,095	13,186	28
INCOME TAXES-NONOPERATING	2,875,458-	769,635	312,345	39,359	282,945-	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	1,501,128	1,284,031	1,215,190	681,451	605,685	32
TOTAL INCOME DEDUCTIONS	1,118,111-	2,231,613	1,828,026	984,905	335,926	33
INCOME BEFORE INTEREST CHARGES	84,522,346	91,695,190	89,223,332	83,941,358	79,215,188	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	32,946,472	28,354,120	25,544,021	23,548,045	23,602,036	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	748,129	493,532	485,826	462,099	410,104	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	30,019-	32,110-	32,412-	33,875-	35,975-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	26,222	42,085	54,647	34,886	109,170	38
OTHER INTEREST EXPENSE	4,010,990	3,139,779	7,033,570	8,894,460	8,078,210	39
TOTAL INTEREST CHARGES	37,701,794	31,997,406	33,085,652	32,905,615	32,163,545	40
INCOME BEFORE EXTRAORDINARY ITEMS	46,820,552	59,697,784	56,137,680	51,035,743	47,051,643	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 46,820,552	$ 59,697,784	$ 56,137,680	$ 51,035,743	$ 47,051,643	46
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 185,629,629	$ 166,736,657	$ 150,038,033	$ 134,920,407	$ 119,219,175	47
BALANCE TRANSFERRED FROM INCOME	60,692,345	60,055,515	55,338,087	51,688,791	46,712,721	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	6,744,874	7,847,925	7,943,150	8,044,661	8,071,456	50
-COMMON STOCK	35,799,156	33,353,712	30,715,085	28,376,632	22,936,806	51
ADJUSTMENTS TO RETAINED EARNINGS	413,809	39,094	18,772	149,872-	3,227-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	204,191,753	185,629,629	166,736,657	150,038,033	134,920,407	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	17,072,471-	2,636,789-	2,215,170-	2,950,876-	2,233,941-	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 187,119,282	$ 182,992,840	$ 164,521,487	$ 147,087,157	$ 132,686,466	56
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	1.69	1.87	1.33	1.24	1.09	57
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	43.1	42.4	38.3	38.2	41.4	58
PREFERRED STOCK	6.9	9.7	11.4	12.6	14.2	59
COMMON STOCK AND OTHER PAID-IN CAPITAL	24.4	24.3	25.7	25.3	20.9	60
RETAINED EARNINGS	25.4	23.4	24.3	23.6	23.4	61
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	36.0	37.2	31.3	31.1	32.7	62
ACCUM. PROVISION FOR DEPR.: % OF UTILITY PLT	24.9	24.3	24.0	23.5	23.0	63
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	64
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	71.0	73.0	74.2	74.4	74.0	65
GAS DEPRECIATION AND AMORTIZATION	2.5	2.2	2.1	2.1	2.1	66
TOTAL INCOME TAXES-GAS, OPERATING	4.5	4.1	3.6	3.6	3.7	67
OTHER TAXES-GAS, OPERATING	12.2	11.8	11.4	11.2	10.9	68
TOTAL GAS OPERATING EXPENSE	90.4	91.3	91.5	91.4	91.0	69
GAS OPERATING INCOME	9.5	8.6	8.4	8.5	8.9	70
INTEREST EXPENSE:						
PRETAX COVERAGE	3.3	4.2	3.8	3.6	3.5	71
NET INCOME-PERCENT OF OPERATING REVENUES	4.9	5.9	5.5	5.3	5.5	72
DIVIDEND APPROPRIATIONS, COMMON STOCK						
% OF EARNINGS AVAILABLE FOR COMMON	89.3	64.3	63.7	66.0	58.8	73
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	10.2	14.3	14.7	15.1	16.0	74

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

BROOKLYN UNION GAS COMPANY, THE

LINE NO		1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 46,820,552	$ 59,697,784	$ 56,137,680	$ 51,035,743	$ 47,051,643
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	27,049,166	24,866,933	23,300,206	21,103,587	19,086,394
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	7,735,336	3,965,341	5,756,779	7,608,505	23,243,949
4	INTEREST CAPITALIZED	1,022,090-	1,147,673-	759,467-	756,658-	693,880-
5	OTHER (NET):	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	80,582,964	87,382,385	84,435,197	78,991,177	88,688,106
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	80,582,964	87,382,385	84,435,197	78,991,177	88,688,106
10	LESS DIVIDENDS: PREFERRED	6,744,874	7,847,925	7,943,150	8,044,661	8,071,456
11	COMMON	35,799,156	33,353,712	30,716,085	28,376,632	22,936,806
12	NET FUNDS FROM INTERNAL SOURCES	38,038,934	46,180,748	45,775,962	42,569,884	57,679,844
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	65,749,825	112,480,293	51,592,821	39,638,078	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	17,206,033	16,312,451	13,925,796	40,054,014	7,967,939
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	51,450,000
17	OTHER (NET):	-	-	-	-	535,201
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	82,955,858	128,792,744	65,518,617	79,692,092	59,953,140
20	OTHER SOURCES (NET):	20,905,399	9,596,557	19,063,646	6,863,173	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 141,900,191	$ 184,570,049	$ 130,359,225	$ 129,125,149	$ 117,632,984
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	GAS PLANT	$ 63,114,885	$ 62,691,872	$ 59,403,915	$ 56,147,609	$ 51,713,862
25	LIQUEFIED NATURAL GAS PLANT	3,686,611	8,134,644	3,865,632	838,620	233,462
26	NON-UTILITY	21,828	345,316-	-	-	-
27	OTHER	-	-	-	-	-
28	TOTAL GROSS ADDITIONS	66,823,324	70,481,200	63,269,547	56,986,229	51,947,324
29	LESS INTEREST CAPITALIZED	1,022,090	1,147,673	759,467	756,658	693,880
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	65,801,234	69,333,527	62,510,080	56,229,571	51,253,444
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	55,230,857	86,310,123	5,414,857	15,074,775	4,365,476
32	PREFERRED STOCK	21,600,000	1,600,000	1,600,000	1,600,000	1,600,000
33	REDEMPTION OF CAPITAL STOCK	731,900-	576,575-	425,150-	911,000-	-
34	NET DECREASE IN SHORT TERM DEBT	-	-	54,000,000	37,950,000	-
35	OTHER (NET):	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	76,098,957	87,333,548	60,589,707	53,713,775	5,965,476
38	OTHER USES (NET):	-	27,902,974	7,259,438	19,181,803	60,414,064
39						
40						
41	TOTAL FUNDS APPLIED	$ 141,900,191	$ 184,570,049	$ 130,359,225	$ 129,125,149	$ 117,632,984

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

BROOKLYN UNION GAS COMPANY, THE

ITEM	1986	1985	1984	1983	1982	LINE NO.
GAS OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 763,678,310	$ 778,608,883	$ 786,159,228	$ 744,109,489	$ 665,707,769	1
COMMERCIAL AND INDUSTRIAL	148,933,159	164,755,052	165,892,838	161,398,859	148,781,875	2
OTHER SALES TO PUBLIC AUTHORITIES	36,734,851	41,659,715	43,717,583	37,585,160	29,469,247	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	949,346,320	985,023,650	995,769,649	943,093,508	843,958,891	5
RESALE	-	16,488,778	4,329,562	5,054,143	2,993,806	6
TOTAL REVENUES FROM SALES OF GAS	949,346,320	1,001,512,428	1,000,099,211	948,147,651	846,952,697	7
OTHER GAS OPERATING REVENUES	3,572,855	3,115,543	3,616,179	4,075,882	3,981,009	8
TOTAL GAS OPERATING REVENUES	$ 952,919,175	$ 1,004,627,971	$ 1,003,715,390	$ 952,223,534	$ 850,933,706	9
GAS SALES (MCF)						
RESIDENTIAL	81,166,531	79,350,612	80,967,629	80,308,403	80,888,912	10
COMMERCIAL AND INDUSTRIAL	24,423,793	23,075,646	21,609,085	22,799,553	21,964,232	11
OTHER SALES TO PUBLIC AUTHORITIES	6,560,683	6,318,301	6,413,651	5,610,704	4,495,540	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	112,151,007	108,744,559	108,990,365	108,718,660	107,348,684	14
RESALE	-	4,904,543	1,138,031	1,551,121	4,000	15
TOTAL GAS SALES	112,151,007	113,649,102	110,128,396	110,269,781	107,352,684	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	1,048,267	1,044,299	1,038,782	1,034,619	1,030,767	17
COMMERCIAL AND INDUSTRIAL	32,424	31,746	31,652	31,506	31,284	18
OTHER SALES TO PUBLIC AUTHORITIES	2,932	2,890	2,825	2,704	2,487	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	1,083,623	1,078,935	1,073,259	1,068,829	1,064,538	21
RESALE	-	1	1	1	1	22
TOTAL CUSTOMERS	1,083,623	1,078,936	1,073,260	1,068,830	1,064,539	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 728.52	$ 745.58	$ 756.81	$ 719.21	$ 645.84	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	77	76	78	78	78	25
AVERAGE REVENUE PER MCF SOLD	$ 9.41	$ 9.81	$ 9.71	$ 9.27	$ 8.23	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 4,593.30	$ 5,189.79	$ 5,241.15	$ 5,122.80	$ 4,755.05	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	753	727	683	724	702	28
AVERAGE REVENUE PER MCF SOLD	$ 6.10	$ 7.14	$ 7.68	$ 7.08	$ 6.77	29
GAS OPERATION AND MAINTENANCE EXPENSES						
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	$ 1,120,814	$ 1,727,395	$ 1,683,111	$ 1,594,112	$ 1,314,356	30
MANUFACTURED GAS	8,167,940	8,812,553	9,543,248	11,927,209	10,591,802	31
NATURAL GAS						
PRODUCTION AND GATHERING	-	-	-	-	-	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	438,587,398	502,714,689	525,454,322	508,191,062	450,226,311	35
OTHER	1,547,322-	698,459-	524,165-	2,608,943-	1,466,965-	36
TOTAL PRODUCTION EXPENSE	446,328,830	512,556,178	536,156,516	519,103,440	460,665,504	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	5,151,426	4,914,362	4,892,992	4,843,112	4,624,660	39
TOTAL NATURAL GAS STORAGE EXPENSE	5,151,426	4,914,362	4,892,992	4,843,112	4,624,660	40
TRANSMISSION EXPENSES	-	-	-	-	-	41
DISTRIBUTION EXPENSES	90,631,621	81,347,665	76,964,216	71,995,406	65,482,782	42
CUSTOMER ACCOUNTS EXPENSES	44,012,324	48,319,177	50,731,659	44,135,566	39,970,285	43
SALES EXPENSES	6,547,662	6,071,461	4,814,066	4,810,880	4,385,537	44
ADMINISTRATIVE AND GENERAL EXPENSES	84,483,984	80,922,599	71,647,078	63,808,433	55,059,311	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 677,155,847	$ 734,131,442	$ 745,206,527	$ 708,696,837	$ 630,188,079	46
GAS UTILITY PLANT*						
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 11,442	$ 11,442	$ 11,442	$ 11,442	$ 11,442	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	54,248,242	54,006,348	53,188,760	52,816,852	52,631,229	50
NATURAL GAS PLANT	1,303,337	1,609,993	1,837,172	2,373,918	2,771,733	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	58,811,837	53,033,207	48,378,802	46,880,971	46,297,109	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	763,062,064	714,376,208	665,963,096	623,058,657	581,108,586	56
GENERAL PLANT	71,595,313	65,759,335	55,184,420	44,257,679	38,957,461	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	857,650	857,650	857,650	857,650	857,650	60
TOTAL GAS PLANT IN SERVICE	949,889,885	889,654,183	825,421,342	770,257,169	722,635,211	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	297,172	325,832	28,661	28,661	28,661	63
CONSTRUCTION WORK IN PROGRESS	10,811,342	11,155,095	10,798,573	9,365,710	4,521,989	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	960,998,399	901,135,110	836,248,576	779,651,540	727,185,861	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	239,480,380	219,239,118	200,918,570	183,953,129	167,355,487	67
NET GAS UTILITY PLANT	$ 721,518,019	$ 681,895,992	$ 635,330,006	$ 595,698,411	$ 559,830,374	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 889,654,183	$ 825,421,342	$ 770,257,169	$ 722,635,211	$ 675,064,627	69
ADDITIONS	67,352,620	70,224,884	61,768,475	52,117,658	55,046,986	70
RETIREMENTS	6,888,855	6,306,173	6,548,683	4,480,197	7,175,044	71
TRANSFERS AND ADJUSTMENTS	228,072-	314,130	55,619-	15,503-	301,358-	72
PLANT IN SERVICE END OF YEAR	$ 949,889,885	$ 889,654,183	$ 825,421,342	$ 770,257,169	$ 722,635,211	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

BROOKLYN UNION GAS COMPANY, THE

LINE NO.	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 952,919,175	$ 1,004,627,971	$ 1,003,715,390	$ 952,223,534	$ 850,933,706
2	SALES (MCF)	112,151,007	113,649,102	110,128,396	110,269,781	107,352,684
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENS'	$ 437,040,076	$ 502,016,230	$ 524,930,157	$ 505,582,119	$ 448,759,346
4	WAGES AND BENEFITS	134,569,790	132,564,658	122,849,614	111,254,814	102,337,562
5	OTHER OPERATION AND MAINTENANCE EXPENSES	105,545,981	99,550,554	97,426,756	91,859,904	79,091,171
6	DEPRECIATION AND AMORTIZATION EXPENSES	24,119,049	22,640,003	21,889,740	20,304,129	18,525,551
7	INCOME TAXES - OPERATING	43,771,242	42,095,436	36,947,429	34,522,643	32,323,355
8	OTHER TAXES - OPERATING	116,542,667	118,700,770	114,987,473	106,832,177	93,478,688
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	37,701,794	31,997,406	33,085,652	32,659,883	31,922,200
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	6,631,287	7,697,924	7,834,166	7,985,140	7,988,919
11	EARNINGS AVAILABLE FOR COMMON EQUITY	46,997,289	47,364,991	43,764,403	41,242,725	36,506,914
12	TOTAL	$ 952,919,175	$ 1,004,627,971	$ 1,003,715,390	$ 952,223,534	$ 850,933,706
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	45.9	50.0	52.3	53.1	52.7
14	WAGES AND BENEFITS	14.1	13.2	12.2	11.7	12.0
15	OTHER OPERATION ANC MAINTENANCE EXPENSES	11.1	9.9	9.7	9.6	9.3
16	DEPRECIATION AND AMORTIZATION EXPENSES	2.5	2.3	2.2	2.1	2.2
17	INCOME TAXES - OPERATING	4.6	4.2	3.7	3.6	3.8
18	OTHER TAXES - OPERATING	12.2	11.8	11.5	11.2	11.0
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	4.0	3.2	3.3	3.4	3.8
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.7	0.8	0.8	0.8	0.9
21	EARNINGS AVAILABLE FOR COMMON EQUITY	4.9	4.7	4.4	4.3	4.3
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.90	$ 4.42	$ 4.77	$ 4.58	$ 4.18
24	WAGES AND BENEFITS	1.20	1.17	1.12	1.01	0.95
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.94	0.88	0.88	0.83	0.74
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.22	0.20	0.20	0.18	0.17
27	INCOME TAXES - OPERATING	0.39	0.37	0.34	0.31	0.30
28	OTHER TAXES - OPERATING	1.04	1.04	1.04	0.97	0.87
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.34	0.28	0.30	0.30	0.30
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.06	0.07	0.07	0.07	0.07
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.42	0.42	0.40	0.37	0.34
32	TOTAL	$ 8.50	$ 8.84	$ 9.11	$ 8.64	$ 7.93

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

LINE NO.	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 72,515,115	$ 68,341,074	$ 64,204,437	$ 61,375,512	$ 59,860,042
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	26,806,892	25,635,882	23,237,386	20,642,422	19,396,739
3	NET GAS UTILITY PLANT	45,708,223	42,705,192	40,967,051	40,733,090	40,463,303
4	OTHER UTILITY PLANT	1,119,980,586	985,426,660	864,586,516	759,414,997	687,253,413
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	226,360,615	215,242,324	202,046,456	189,382,739	176,735,913
6	NET OTHER UTILITY PLANT	893,619,971	770,184,336	662,540,060	570,032,258	510,517,500
7	TOTAL UTILITY PLANT	1,192,495,701	1,053,767,734	928,790,953	820,790,509	747,113,455
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	253,167,507	240,878,206	225,283,842	210,025,161	196,132,652
9	NET TOTAL UTILITY PLANT	939,328,194	812,889,528	703,507,111	610,765,348	550,980,803
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPRECIATION AND AMORTIZATION	968,859	1,409,005	565,496	565,496	565,496
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	2,990,239	2,153,523	2,608,723	1,606,101	1,532,862
13	OTHER INVESTMENTS	2,330,657	39,159	27,406	11,345	10,200
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	6,289,755	3,601,687	3,201,625	2,182,942	2,108,558
16	CASH	1,512,924	1,462,371	1,047,021	1,125,675	1,641,613
17	SPECIAL DEPOSITS	19,637,337	53,391,410	7,627,592	2,818,988	6,082,827
18	WORKING FUNDS	176,705	190,784	217,384	450,705	490,837
19	TEMPORARY CASH INVESTMENTS	6,412,500	14,350,000	10,517,642	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	61,270,244	44,835,751	46,130,323	46,317,235	45,816,966
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	29,564	-	-
22	MATERIALS AND SUPPLIES	21,128,628	23,853,891	33,129,621	29,526,117	19,076,129
23	GAS STORED UNDERGROUND-CURRENT	1,896,313	2,121,371	1,505,752	1,677,458	1,219,821
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	8,119,228	6,523,634	5,402,585	5,106,431	4,694,318
26	OTHER CURRENT AND ACCRUED ASSETS	8,973,784	9,761,662	8,677,169	6,257,660	7,889,392
27	TOTAL CURRENT AND ACCRUED ASSETS	129,126,663	156,490,874	113,284,653	94,280,189	86,911,903
28	UNAMORTIZED DEBT EXPENSE	9,973,483	5,674,162	4,289,477	3,226,624	3,304,654
29	EXTRAORDINARY PROPERTY LOSSES	9,531,234	15,451,877	18,655,001	20,815,721	22,270,245
30	PREL. SURVEY + INVESTIGATION CHARGES	90,773	79,601	74,199	2,249,189	1,139,179
31	CLEARING ACCOUNTS	307,238	320,958	306,438	506,949	507,669
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	68,866-	627,361-	595,546-	139,795-	28,501-
34	ACCUMULATED DEFERRED INCOME TAXES	5,444,500	1,813,300	1,033,800	175,100	165,600
35	OTHER DEFERRED DEBITS	63,019,718	44,642,413	35,517,144	30,318,176	18,855,621
36	TOTAL DEFERRED DEBITS	89,398,080	67,355,450	59,280,513	57,151,964	46,216,467
37	TOTAL ASSETS AND OTHER DEBITS	$ 1,164,142,692	$ 1,040,337,539	$ 879,273,902	$ 764,380,443	$ 686,217,731
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 279,684,880	$ 214,464,057	$ 184,815,765	$ 156,927,223	$ 130,999,924
39	PREFERRED STOCK ISSUED	81,030,000	81,030,000	81,030,000	81,030,000	81,030,000
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	66,780	66,780	66,780	66,780	66,780
43	OTHER PAID-IN CAPITAL	-	-	-	-	-
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	4,624,918-	4,302,983-	4,039,712-	3,839,759-	2,677,044-
46	RETAINED EARNINGS	164,414,239	145,374,845	125,751,423	109,935,474	99,035,804
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	318,370	481,654	561,867	559,234	485,995
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	520,889,351	437,114,363	388,186,113	344,678,952	288,941,459
50	BONDS (LESS BONDS REACQUIRED)	327,400,000	332,400,000	312,400,000	278,400,000	278,400,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	112,500,000	112,675,000	40,600,000	7,375,000	7,550,000
53	NET UNAMORTIZED PREMIUM + DISCOUNT	399,488-	537,038-	607,982-	678,926-	749,870-
54	TOTAL LONG TERM DEBT	439,500,512	444,537,962	352,392,018	285,096,074	285,200,130
55	NOTES PAYABLE	-	-	-	23,000,000	26,500,000
56	ACCOUNTS PAYABLE	27,233,558	22,258,926	26,849,501	23,079,904	14,991,513
57	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
58	CUSTOMER DEPOSITS	2,808,722	2,688,436	2,478,924	2,677,244	2,733,059
59	TAXES ACCRUED	4,965,968	5,018,646	5,194,519	3,696,425	6,248,716
60	INTEREST ACCRUED	8,055,053	8,884,918	7,321,709	6,533,494	8,626,059
61	DIVIDENDS DECLARED	11,793,920	10,456,918	9,430,658	8,123,914	6,562,556
62	TAX COLLECTIONS PAYABLE	587,318	662,196	692,550	665,697	916,742
63	OTHER CURRENT AND ACCRUED LIABILITIES	12,720,852	7,205,101	11,551,218	8,920,170	4,970,142
64	TOTAL CURRENT AND ACCRUED LIABILITIES	68,165,391	57,166,140	63,519,079	76,696,848	69,548,787
65	CUSTOMER ADVANCES FOR CONSTRUCTION	699,689	694,970	681,529	787,666	779,360
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	34,129,000	35,438,000	27,647,000	20,093,000	14,264,000
68	OTHER DEFERRED CREDITS	56,474,666	27,826,565	12,773,999	6,663,471	1,588,223
	ACCUMULATED DEFERRED INCOME TAXES:					
69	ACCELERATED AMORTIZATION	-	-	-	-	63,316
70	LIBERALIZED DEPRECIATION	23,527,300	19,774,600	16,597,700	13,666,200	10,946,100
71	OTHER	18,794,300	16,097,900	15,573,100	15,144,000	13,695,700
72	TOTAL DEFERRED CREDITS	133,624,955	99,832,035	73,273,328	56,354,337	41,326,699
73	PROPERTY INSURANCE RESERVE	-	-	166,925	104,200	-
74	INJURIES AND DAMAGE RESERVES	1,962,483	1,688,039	1,736,439	1,450,032	1,200,656
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	1,962,483	1,688,039	1,903,364	1,554,232	1,200,656
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,164,142,692	$ 1,040,337,539	$ 879,273,902	$ 764,380,443	$ 686,217,731

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 61,447,651	$ 68,149,942	$ 68,328,561	$ 61,967,974	$ 61,648,599	1
OPERATION AND MAINTENANCE EXPENSE	43,521,112	49,067,860	48,630,967	49,241,029	47,120,690	2
DEPRECIATION EXPENSE	2,015,236	2,994,536	3,057,428	1,847,093	1,956,263	3
AMORTIZATION	3,482	14	-	1,506	95,990	4
TAXES OTHER THAN INCOME TAXES	5,993,373	6,006,220	5,926,804	5,280,285	4,772,795	5
INCOME TAXES	2,734,000	3,454,000	3,548,000	309,000	1,655,000	6
PROVISION FOR DEFERRED INCOME TAXES	1,462,300	1,491,400	1,780,000	1,493,300	1,274,800	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	1,007,900-	1,272,100-	1,137,300-	735,500-	803,100-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	54,721,603	61,741,930	61,805,899	57,436,713	56,072,438	12
NET OPERATING REVENUES	6,726,048	6,408,012	6,522,662	4,531,261	5,576,161	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	6,726,048	6,408,012	6,522,662	4,531,261	5,576,161	15
OTHER UTILITY OPERATING INCOME	64,997,201	62,950,521	53,790,651	48,095,920	39,517,135	16
TOTAL UTILITY OPERATING INCOME	71,723,249	69,358,533	60,313,313	52,627,181	45,093,296	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	8,412	3,464-	67,201	9,871	3,193	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	29,502	188-	-	-	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	163,284-	80,203-	2,623	73,239	26,040	21
INTEREST AND DIVIDEND INCOME	1,511,317	739,952	643,807	180,670	936,608	22
ALLOWANCE FOR CONSTRUCTION FUNDS	31,724,945	26,432,772	21,921,590	16,428,513	14,761,877	23
MISCELLANEOUS NONOPERATING INCOME	319,112-	762,778-	410,310	161,361-	188,986-	24
GAIN ON DISPOSITION OF PROPERTY	3,688	720	-	41,157	8,033	25
TOTAL OTHER INCOME	32,795,468	26,326,811	23,045,531	16,572,089	15,546,765	26
TOTAL INCOME	104,518,717	95,685,344	83,358,844	69,199,270	60,640,061	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	36,674	17,235	16,238	11,203	14,487	28
INCOME TAXES-NONOPERATING	6,690,300-	6,570,300-	4,964,500-	4,605,000-	4,581,000-	29
LOSS ON DISPOSITION OF PROPERTY	-	28,777	4,630	52,359	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	662,736	452,117	482,136	468,521	309,037	32
TOTAL INCOME DEDUCTIONS	5,990,890-	6,072,171-	4,461,496-	4,072,917-	4,257,476-	33
INCOME BEFORE INTEREST CHARGES	110,509,607	101,757,515	87,820,340	73,272,187	64,897,537	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	43,330,897	40,420,583	34,334,725	30,039,337	25,291,931	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	681,509	432,521	374,251	335,040	265,542	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	24,198-	24,192-	24,192-	24,192-	24,192-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	1,636,966	1,256,280	1,998,687	2,686,168	4,034,834	39
TOTAL INTEREST CHARGES	45,625,174	42,085,192	36,683,471	33,036,353	29,568,115	40
INCOME BEFORE EXTRAORDINARY ITEMS	64,884,433	59,672,323	51,136,869	40,235,834	35,329,422	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 64,884,433	$ 59,672,323	$ 51,136,869	$ 40,235,834	$ 35,329,422	46
UNAPPROPRIATED RETAINED EARNINGS BEG.OF YR	$ 145,374,845	$ 125,751,423	$ 109,935,474	$ 99,035,804	$ 88,497,245	47
BALANCE TRANSFERRED FROM INCOME	65,047,717	59,752,526	51,134,246	40,162,595	35,303,382	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	5,614,366	6,184,367	6,458,368	5,783,289	4,126,369	50
-COMMON STOCK	40,393,957	33,944,737	28,859,929	23,479,636	20,638,454	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	164,414,239	145,374,845	125,751,423	109,935,474	99,035,804	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	318,370	481,654	561,857	559,234	485,995	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 164,732,609	$ 145,856,499	$ 126,313,280	$ 110,494,708	$ 99,521,799	56
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	1.89	2.74	1.78	1.23	1.25	57
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	45.7	50.4	47.5	45.2	49.6	58
PREFERRED STOCK	8.4	9.1	10.9	12.8	10.6	59
COMMON STOCK AND OTHER PAID-IN CAPITAL	28.6	23.8	24.4	24.4	22.4	60
RETAINED EARNINGS	17.1	16.4	16.9	17.4	17.2	61
LONG-TERM DEBT % OF GROSS UTILITY PLANT	36.8	42.1	37.9	34.7	38.1	62
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	21.2	22.8	24.2	25.5	26.2	63
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	14.0	13.5	13.0	13.0	13.8	64
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	70.8	71.9	71.1	79.4	76.4	65
GAS DEPRECIATION AND AMORTIZATION	3.2	4.3	4.4	2.9	3.3	66
TOTAL INCOME TAXES-GAS, OPERATING	5.1	5.3	6.1	1.7	3.4	67
OTHER TAXES-GAS, OPERATING	9.7	8.8	8.6	8.5	7.7	68
TOTAL GAS OPERATING EXPENSE	89.0	90.5	90.4	92.6	90.9	69
GAS OPERATING INCOME	10.9	9.4	9.5	7.3	9.0	70
INTEREST EXPENSE						
PRETAX COVERAGE	3.1	3.2	3.2	2.8	2.6	71
NET INCOME-PERCENT OF OPERATING REVENUES	14.7	11.8	9.7	8.4	7.9	72
DIVIDEND APPROPRIATIONS,COMMON STOCK % OF EARNINGS AVAILABLE FOR COMMON	68.1	63.4	64.5	68.1	66.1	73
PERCENT OF AVERAGE COMMON EQUITY EARNINGS AVAILABLE FOR COMMON STOCK	14.8	16.1	15.6	14.0	14.6	74

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

LINE NO.		1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 64,884,433	$ 59,672,323	$ 51,136,869	$ 40,235,834	$ 35,329,422
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	24,893,611	24,249,558	22,531,271	20,524,230	16,922,780
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	509,400	10,712,700	10,055,900	9,934,584	7,816,700
4	INTEREST CAPITALIZED	31,724,945-	26,432,772-	21,921,590-	16,428,513-	14,761,877-
5	OTHER (NET)	11,140,493	3,819,486	5,354,460	2,998,590	1,421,379
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	69,702,992	72,021,295	67,156,910	57,264,725	46,728,404
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	69,702,992	72,021,295	67,156,910	57,264,725	46,728,404
10	LESS DIVIDENDS: PREFERRED	5,614,386	6,184,367	6,458,368	5,783,289	4,126,369
11	COMMON	40,393,937	33,944,737	28,859,929	23,479,636	20,638,454
12	NET FUNDS FROM INTERNAL SOURCES	23,694,669	31,892,191	31,838,613	28,001,800	21,963,581
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	50,000,000	92,250,000	78,400,000	-	44,900,000
14	PREFERRED STOCK	-	-	-	20,000,000	-
15	COMMON STOCK	65,220,813	29,648,302	27,888,542	25,927,299	19,835,230
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	10,000,000
17	OTHER (NET)	35,668,304	46,005,491-	4,975,387-	3,448,962	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	150,889,117	75,892,811	101,313,155	49,376,261	74,735,230
20	OTHER SOURCES (NET)	28,796,158	-	-	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 203,379,944	$ 107,785,002	$ 133,151,768	$ 77,378,061	$ 96,698,811
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	GAS PLANT	$ 5,288,121	$ 4,908,251	$ 3,645,673	$ 2,243,255	$ 2,971,317
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	-	-	-
27	OTHER	165,893,815	125,010,622	108,622,870	82,129,250	80,969,118
28	TOTAL GROSS ADDITIONS	171,181,936	129,918,873	112,268,543	84,372,505	83,940,435
29	LESS INTEREST CAPITALIZED	31,724,945	26,432,772	21,921,590	16,428,513	14,761,877
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	139,456,991	103,486,101	90,346,953	67,943,992	69,178,558
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	55,175,000	175,000	11,175,000	175,000	6,175,000
32	PREFERRED STOCK	-	-	-	-	-
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	-	23,000,000	3,500,000	-
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	55,175,000	175,000	34,175,000	3,675,000	6,175,000
38	OTHER USES (NET)	8,747,953	4,123,901	8,629,815	5,759,069	21,345,253
39						
40						
41	TOTAL FUNDS APPLIED	$ 203,379,944	$ 107,785,002	$ 133,151,768	$ 77,378,061	$ 96,698,811

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO
		GAS OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 29,851,629	$ 29,005,727	$ 29,075,760	$ 27,510,481	$ 27,343,384	1
COMMERCIAL AND INDUSTRIAL	24,260,378	30,334,911	32,398,428	27,077,337	28,612,171	2
OTHER SALES TO PUBLIC AUTHORITIES	4,173,885	4,540,105	3,935,853	3,781,060	3,000,711	3
INTERDEPARTMENTAL	1,800,556	864,197	585,416	1,436,810	1,506,978	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	60,086,448	64,744,940	65,995,457	59,805,688	60,463,244	5
RESALE	-	-	-	-	-	6
TOTAL REVENUES FROM SALES OF GAS	60,086,448	64,744,940	65,995,457	59,805,688	60,463,244	7
OTHER GAS OPERATING REVENUES	1,361,203	3,405,002	2,333,104	2,162,286	1,185,355	8
TOTAL GAS OPERATING REVENUES	$ 61,447,651	$ 68,149,942	$ 68,328,561	$ 61,967,974	$ 61,648,599	9
GAS SALES (MCF)						
RESIDENTIAL	3,828,536	3,539,676	3,743,743	3,440,899	3,712,048	10
COMMERCIAL AND INDUSTRIAL	4,222,913	5,081,575	5,604,457	4,228,063	5,305,833	11
OTHER SALES TO PUBLIC AUTHORITIES	799,522	816,238	731,879	613,847	559,459	12
INTERDEPARTMENTAL	314,684	154,891	116,830	217,160	260,100	13
TOTAL SALES TO ULTIMATE CONSUMERS	9,165,657	9,592,381	10,196,909	8,499,969	9,837,440	14
RESALE	-	-	-	-	-	15
TOTAL GAS SALES	9,165,657	9,592,381	10,196,909	8,499,969	9,837,440	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	44,945	43,879	43,101	42,518	41,948	17
COMMERCIAL AND INDUSTRIAL	4,839	4,485	4,289	4,165	3,973	18
OTHER SALES TO PUBLIC AUTHORITIES	381	360	346	341	328	19
INTERDEPARTMENTAL	1	1	1	1	1	20
TOTAL ULTIMATE CONSUMERS	50,166	48,725	47,737	47,025	46,250	21
RESALE	-	-	-	-	-	22
TOTAL CUSTOMERS	50,166	48,725	47,737	47,025	46,250	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 664.18	$ 661.04	$ 674.60	$ 647.03	$ 651.84	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	85	81	87	81	88	25
AVERAGE REVENUE PER MCF SOLD	$ 7.80	$ 8.19	$ 7.77	$ 8.00	$ 7.37	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 5,013.51	$ 6,763.64	$ 7,553.84	$ 6,501.16	$ 7,201.65	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	873	1,133	1,307	1,015	1,335	28
AVERAGE REVENUE PER MCF SOLD	$ 5.74	$ 5.97	$ 5.78	$ 6.40	$ 5.39	29
		GAS OPERATION AND MAINTENANCE EXPENSES				
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	182,772	181,788	178,052	172,463	303,793	31
NATURAL GAS						
PRODUCTION AND GATHERING	-	-	-	-	-	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	34,294,015	57,440,839	58,532,705	52,811,317	53,176,720	35
OTHER	871,324-	17,099,117-	18,452,358-	11,726,415-	13,820,082-	36
TOTAL PRODUCTION EXPENSE	33,605,463	40,523,510	40,258,399	41,257,365	39,660,431	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	2,147	1,013	2,144	1,187	654	38
OTHER STORAGE EXPENSES	1,384	716	1,368	141	246	39
TOTAL NATURAL GAS STORAGE EXPENSE	3,531	1,729	3,512	1,328	900	40
TRANSMISSION EXPENSES	631,438	530,791	723,131	734,911	623,135	41
DISTRIBUTION EXPENSES	3,589,614	3,148,562	2,888,761	2,879,717	2,844,406	42
CUSTOMER ACCOUNTS EXPENSES	1,257,325	1,244,033	1,252,387	1,186,198	1,205,044	43
SALES EXPENSES	423,700	400,894	333,873	276,810	182,520	44
ADMINISTRATIVE AND GENERAL EXPENSES	4,010,041	3,218,341	3,170,904	2,904,700	2,604,254	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 43,521,112	$ 49,067,860	$ 48,630,967	$ 49,241,029	$ 47,120,690	46
		GAS UTILITY PLANT*				
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 3,183	$ 3,183	$ 3,183	$ 3,183	$ 3,183	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	2,932,564	2,816,115	1,537,020	1,436,828	1,436,828	50
NATURAL GAS PLANT	-	-	-	-	-	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	169,763	169,763	169,763	169,763	54
TRANSMISSION PLANT	17,637,415	17,627,263	17,566,979	17,512,545	17,465,899	55
DISTRIBUTION PLANT	49,524,748	45,251,782	42,576,656	40,996,901	39,212,943	56
GENERAL PLANT	-	-	32,758	32,758	32,758	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	70,097,910	65,868,096	61,886,359	60,151,978	58,321,374	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	2,417,205	2,472,978	2,318,078	1,223,534	1,538,668	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	72,515,115	68,341,074	64,204,437	61,375,512	59,860,042	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	26,806,892	25,635,882	23,237,386	20,642,422	19,396,739	67
NET GAS UTILITY PLANT	$ 45,708,223	$ 42,705,192	$ 40,967,051	$ 40,733,090	$ 40,463,303	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 65,868,096	$ 61,886,359	$ 60,151,978	$ 58,321,374	$ 55,641,460	69
ADDITIONS	4,640,299	4,171,269	1,859,254	2,081,301	3,228,228	70
RETIREMENTS	409,769	189,532	124,873	250,697	140,308	71
TRANSFERS AND ADJUSTMENTS	716-	-	-	-	408,006-	72
PLANT IN SERVICE END OF YEAR	$ 70,097,910	$ 65,868,096	$ 61,886,359	$ 60,151,978	$ 58,321,374	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

CENTRAL HUDSON GAS & ELECTRIC CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 61,447,651	$ 68,149,942	$ 68,328,561	$ 61,967,974	$ 61,648,599
2	SALES (MCF)	9,165,667	9,592,381	10,196,909	8,499,969	9,837,440
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 33,422,691	$ 40,341,722	$ 40,080,347	$ 41,084,902	$ 39,356,638
4	WAGES AND BENEFITS	6,471,370	5,866,987	5,618,288	5,432,808	5,021,327
5	OTHER OPERATION AND MAINTENANCE EXPENSES	3,627,051	2,869,151	2,932,332	2,723,319	2,742,725
6	DEPRECIATION AND AMORTIZATION EXPENSES	2,018,718	2,994,650	3,057,428	1,848,599	2,052,253
7	INCOME TAXES - OPERATING	3,188,400	3,673,300	4,190,700	1,066,800	2,126,700
8	OTHER TAXES - OPERATING	5,993,373	6,006,220	5,926,804	5,280,285	4,772,795
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	5,927,221	5,446,928	4,760,775	4,290,015	3,835,151
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	282,174	330,933	388,838	400,524	313,982
11	EARNINGS AVAILABLE FOR COMMON EQUITY	516,653	630,151	1,373,049	159,278-	1,427,028
12	TOTAL	$ 61,447,651	$ 68,149,942	$ 68,328,561	$ 61,967,974	$ 61,648,599
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	54.4	59.2	58.7	66.3	63.8
14	WAGES AND BENEFITS	10.5	8.6	8.2	8.8	8.1
15	OTHER OPERATION AND MAINTENANCE EXPENSES	5.9	4.2	4.3	4.4	4.4
16	DEPRECIATION AND AMORTIZATION EXPENSES	3.3	4.4	4.5	3.0	3.3
17	INCOME TAXES - OPERATING	5.2	5.4	6.1	1.7	3.4
18	OTHER TAXES - OPERATING	9.8	8.8	8.7	8.5	7.7
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	9.6	8.0	7.0	6.9	6.2
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.5	0.5	0.6	0.6	0.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	0.8	0.9	2.0	0.2-	2.3
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.65	$ 4.21	$ 3.93	$ 4.83	$ 4.00
24	WAGES AND BENEFITS	0.71	0.61	0.55	0.64	0.51
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.40	0.30	0.29	0.32	0.28
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.22	0.31	0.30	0.22	0.21
27	INCOME TAXES - OPERATING	0.35	0.38	0.41	0.13	0.22
28	OTHER TAXES - OPERATING	0.65	0.63	0.58	0.62	0.49
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.65	0.57	0.47	0.50	0.39
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.03	0.03	0.04	0.05	0.03
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.06	0.07	0.13	0.01-	0.15
32	TOTAL	$ 6.70	$ 7.10	$ 6.70	$ 7.29	$ 6.27
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	5.04	5.45	6.06	6.95	7.66

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

COLUMBIA GAS OF NEW YORK, INC.

LINE NO.	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 44,936,845	$ 40,353,910	$ 36,959,119	$ 34,871,509	$ 33,069,801
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	12,964,664	12,267,340	11,570,851	10,970,214	10,383,863
3	NET GAS UTILITY PLANT	31,972,181	28,086,570	25,388,268	23,901,295	22,685,938
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	44,936,845	40,353,910	36,959,119	34,871,509	33,069,801
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	12,964,664	12,267,340	11,570,851	10,970,214	10,383,863
9	NET TOTAL UTILITY PLANT	31,972,181	28,086,570	25,388,268	23,901,295	22,685,938
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPRECIATION AND AMORTIZATION	-	-	-	-	-
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	-	-	-	-	-
13	OTHER INVESTMENTS	-	-	-	-	-
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	-	-	-	-	-
16	CASH	478,415	388,452	553,894	264,466	258,345
17	SPECIAL DEPOSITS	-	-	-	-	1
18	WORKING FUNDS	17,750	17,750	17,750	17,750	17,750
19	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	5,934,531	5,479,754	5,535,632	7,272,466	4,664,409
21	RECEIVABLES FROM ASSOCIATED COMPANIES	49,052	26,716	47,255	33,805	35,698
22	MATERIALS AND SUPPLIES	686,516	673,171	682,464	699,080	690,356
23	GAS STORED UNDERGROUND-CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	5,926,238	5,103,159	4,098,063	6,472,179	5,549,951
26	OTHER CURRENT AND ACCRUED ASSETS	4,336,628	4,534,665	4,238,254	5,523,567	3,747,698
27	TOTAL CURRENT AND ACCRUED ASSETS	17,429,130	16,223,667	15,173,312	20,283,313	14,964,208
28	UNAMORTIZED DEBT EXPENSE	-	-	-	-	-
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL. SURVEY + INVESTIGATION CHARGES	23,933	-	-	7,787	-
31	CLEARING ACCOUNTS	2,159-	654-	16,464	19,717-	1,559
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	8,204	7,029	16,683	9,084	8,053
34	ACCUMULATED DEFERRED INCOME TAXES	1,683,356	1,728,405	1,609,834	2,155,473	1,485,851
35	OTHER DEFERRED DEBITS	987,768	280,118	813,760-	1,140,493	683,335-
36	TOTAL DEFERRED DEBITS	2,701,102	2,014,898	829,221	3,293,120	812,128
37	TOTAL ASSETS AND OTHER DEBITS	$ 52,102,413	$ 46,325,135	$ 41,390,801	$ 47,477,728	$ 38,462,274
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 4,650,000	$ 4,650,000	$ 4,650,000	$ 4,650,000	$ 4,250,000
39	PREFERRED STOCK ISSUED	-	-	-	-	-
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
43	OTHER PAID-IN CAPITAL	1,275,736	1,275,736	1,275,736	1,275,736	1,275,736
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	-	-	-	-	-
46	RETAINED EARNINGS	5,323,873	4,954,303	5,157,571	5,313,746	4,434,387
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	11,249,609	10,880,039	11,083,307	11,239,482	9,960,123
50	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
51	ADVANCES FROM ASSOCIATED COMPANIES	11,647,373	12,300,614	10,923,521	10,686,428	10,006,668
52	OTHER LONG-TERM DEBT	-	-	-	-	-
53	NET UNAMORTIZED PREMIUM + DISCOUNT	-	-	-	-	-
54	TOTAL LONG TERM DEBT	11,647,373	12,300,614	10,923,521	10,686,428	10,006,668
55	NOTES PAYABLE	-	-	-	-	-
56	ACCOUNTS PAYABLE	1,629,488	568,865	184,542	25,222	39,895
57	PAYABLES TO ASSOCIATED COMPANIES	17,074,980	11,493,879	10,964,131	15,373,102	12,953,588
58	CUSTOMER DEPOSITS	251,951	275,755	204,310	192,349	161,891
59	TAXES ACCRUED	31,798-	228,366-	539,125	84,571-	437,658-
60	INTEREST ACCRUED	263,563	149,813	64,426	138,930	211,467
61	DIVIDENDS DECLARED	-	-	-	-	-
62	TAX COLLECTIONS PAYABLE	174,644	202,459	170,482	170,490	181,036
63	OTHER CURRENT AND ACCRUED LIABILITIES	2,395,127	4,090,804	2,718,663	3,726,377	798,396
64	TOTAL CURRENT AND ACCRUED LIABILITIES	21,747,955	16,553,209	14,845,679	19,541,899	13,908,615
65	CUSTOMER ADVANCES FOR CONSTRUCTION	267,886	167,625	59,104	73,477	75,050
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	1,345,225	1,307,604	1,092,996	913,999	710,653
68	OTHER DEFERRED CREDITS	733,115	456,048	340,139	302,389	179,055
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	-	-	-	-	-
70	LIBERALIZED DEPRECIATION	1,584,212	1,173,196	792,552	529,519	330,234
71	OTHER	3,517,038	3,397,800	2,237,388	4,186,022	3,245,863
72	TOTAL DEFERRED CREDITS	7,447,476	6,502,273	4,522,179	6,005,406	4,540,855
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	10,000	89,000	16,115	4,513	46,013
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	10,000	89,000	16,115	4,513	46,013
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 52,102,413	$ 46,325,135	$ 41,390,801	$ 47,477,728	$ 38,462,274

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

COLUMBIA GAS OF NEW YORK, INC.

ITEM	1986	1985	1984	1983	1982	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 71,441,647	$ 80,449,436	$ 90,368,371	$ 92,085,818	$ 88,674,697	1
OPERATION AND MAINTENANCE EXPENSE	61,275,737	70,353,590	79,590,805	81,676,408	79,853,893	2
DEPRECIATION EXPENSE	1,145,556	1,042,338	959,384	916,902	859,916	3
AMORTIZATION	55,159	45,740	108,305	120,712	134,358	4
TAXES OTHER THAN INCOME TAXES	5,617,458	5,863,181	6,116,500	6,007,642	5,478,001	5
INCOME TAXES	33,829-	1,032,219-	2,329,713	2,706,630-	594,294-	6
PROVISION FOR DEFERRED INCOME TAXES	1,451,671	1,553,834	1,141,640	2,026,793	2,443,601	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	593,514-	344,419	2,513,965-	1,594,828	1,510,661-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	68,928,238	78,170,883	87,742,384	89,636,657	86,664,813	12
NET OPERATING REVENUES	2,513,409	2,278,552	2,625,987	2,449,161	2,009,884	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	2,513,409	2,278,552	2,625,987	2,449,161	2,009,884	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	2,513,409	2,278,552	2,625,987	2,449,161	2,009,884	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	-	-	-	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	443,373	41,492	52,177	79,523	62,029	22
ALLOWANCE FOR CONSTRUCTION FUNDS	55,180	13,392	10,648	13,314	11,766	23
MISCELLANEOUS NONOPERATING INCOME	-	-	-	-	-	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	498,553	54,884	62,825	92,837	73,795	26
TOTAL INCOME	3,011,962	2,333,436	2,688,812	2,541,998	2,083,679	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	28
INCOME TAXES-NONOPERATING	143,963	86,041	161,339	32,765	9,847-	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	20,070	19,014	10,772	13,237	13,310	32
TOTAL INCOME DEDUCTIONS	164,033	105,055	172,111	46,002	3,463	33
INCOME BEFORE INTEREST CHARGES	2,847,929	2,228,381	2,516,701	2,495,996	2,080,216	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	-	-	-	-	-	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	-	-	-	-	-	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	1,168,614	1,060,480	1,168,095	1,123,368	1,281,007	38
OTHER INTEREST EXPENSE	212,344	236,569	11,120-	42,233-	231,028	39
TOTAL INTEREST CHARGES	1,380,958	1,297,049	1,156,975	1,081,135	1,512,035	40
INCOME BEFORE EXTRAORDINARY ITEMS	1,466,971	931,332	1,359,726	1,414,861	568,181	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 1,466,971	$ 931,332	$ 1,359,726	$ 1,414,861	$ 568,181	46
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 4,954,302	$ 5,157,571	$ 5,313,746	$ 4,434,387	$ 4,413,706	47
BALANCE TRANSFERRED FROM INCOME	1,466,971	931,332	1,359,726	1,414,861	568,181	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	50
-COMMON STOCK	1,097,400	1,134,600	1,515,900	535,500	547,500	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	1-	2-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	5,323,873	4,954,303	5,157,571	5,313,746	4,434,387	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 5,323,873	$ 4,954,303	$ 5,157,571	$ 5,313,746	$ 4,434,387	56
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	0.80	0.98	1.02	1.04	1.08	57
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	50.8	53.0	49.6	48.7	50.1	58
PREFERRED STOCK	-	-	-	-	-	59
COMMON STOCK AND OTHER PAID-IN CAPITAL	25.8	25.5	26.9	27.0	27.6	60
RETAINED EARNINGS	23.2	21.3	23.4	24.2	22.2	61
LONG-TERM DEBT % OF GROSS UTILITY PLANT	25.9	30.4	29.5	30.6	30.2	62
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	28.8	30.3	31.3	31.4	31.3	63
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	64
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	85.7	87.4	88.0	88.6	90.0	65
GAS DEPRECIATION AND AMORTIZATION	1.6	1.3	1.1	1.1	1.1	66
TOTAL INCOME TAXES-GAS, OPERATING	1.1	1.0	1.0	0.9	0.3	67
OTHER TAXES-GAS, OPERATING	7.8	7.2	6.7	6.5	6.1	68
TOTAL GAS OPERATING EXPENSE	96.4	97.1	97.0	97.3	97.7	69
GAS OPERATING INCOME	3.5	2.8	2.9	2.6	2.2	70
INTEREST EXPENSE:						
PRETAX COVERAGE	2.8	2.5	3.1	3.2	1.6	71
NET INCOME-PERCENT OF OPERATING REVENUES	2.0	1.1	1.5	1.5	0.6	72
DIVIDEND APPROPRIATIONS, COMMON STOCK: % OF EARNINGS AVAILABLE FOR COMMON	74.8	121.8	111.4	37.8	96.3	73
PERCENT OF AVERAGE COMMON EQUITY: EARNINGS AVAILABLE FOR COMMON STOCK	13.2	8.4	12.1	13.3	5.8	74

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

COLUMBIA GAS OF NEW YORK, INC.

LINE NO.		1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 1,466,971	$ 931,332	$ 1,359,728	$ 1,414,862	$ 568,181
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	1,210,715	1,088,078	1,077,688	1,037,613	994,274
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	612,922	1,637,093	960,965-	673,168	1,154,373
4	INTEREST CAPITALIZED	55,179-	13,392-	10,648-	13,314-	11,766-
5	OTHER (NET):	9,192-	95,537	36,000	16,900	99,800
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	3,226,237	3,738,648	1,501,803	3,129,229	2,804,862
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	3,226,237	3,738,648	1,501,803	3,129,229	2,804,862
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	1,097,400	1,134,600	1,515,900	535,500	547,500
12	NET FUNDS FROM INTERNAL SOURCES	2,128,837	2,604,048	14,097-	2,593,729	2,257,362
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	-	2,000,000	800,000	1,200,000	1,000,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	400,000	500,000
16	NET INCREASE IN SHORT TERM DEBT	7,139,999	80,000	-	620,000	2,355,000
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	7,139,999	2,080,000	800,000	2,220,000	3,855,000
20	OTHER SOURCES (NET):	377,327	801,608	3,207,158	121,761	158,908
21						
22						
23	TOTAL FUNDS PROVIDED	$ 9,646,163	$ 5,485,656	$ 3,993,061	$ 4,935,490	$ 6,271,270
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	GAS PLANT	$ 4,552,656	$ 3,642,291	$ 2,382,867	$ 2,062,803	$ 2,412,716
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	-	-	-
27	OTHER	543,668	144,089	181,796	190,167	174,027
28	TOTAL GROSS ADDITIONS	5,096,324	3,786,380	2,564,663	2,252,970	2,586,743
29	LESS INTEREST CAPITALIZED	55,179	13,392	10,648	13,314	11,766
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	5,041,145	3,772,988	2,554,015	2,239,666	2,574,977
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	663,241	622,907	562,907	520,240	537,240
32	PREFERRED STOCK	-	-	-	-	-
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	-	2,770,000	-	-
35	OTHER (NET):	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	663,241	622,907	3,332,907	520,240	537,240
38	OTHER USES (NET):	3,961,777	1,089,761	1,893,861-	2,175,594	3,159,053
39						
40						
41	TOTAL FUNDS APPLIED	$ 9,646,163	$ 5,485,656	$ 3,993,061	$ 4,935,490	$ 6,271,270

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

COLUMBIA GAS OF NEW YORK, INC.

ITEM	1986	1985	1984	1983	1982	LINE NO.
GAS OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 42,634,131	$ 43,736,786	$ 48,751,324	$ 47,475,021	$ 41,833,349	1
COMMERCIAL AND INDUSTRIAL	28,653,398	36,053,076	42,663,116	42,817,275	43,077,143	2
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	71,287,529	79,789,862	91,414,440	90,292,296	84,910,492	5
RESALE	-	-	-	-	-	6
TOTAL REVENUES FROM SALES OF GAS	71,287,529	79,789,862	91,414,440	90,292,296	84,910,492	7
OTHER GAS OPERATING REVENUES	154,118	659,573	1,046,069-	1,793,522	3,764,205	8
TOTAL GAS OPERATING REVENUES	$ 71,441,647	$ 80,449,435	$ 90,368,371	$ 92,085,818	$ 88,674,697	9
GAS SALES (MCF)						
RESIDENTIAL	7,115,422	6,947,027	7,443,767	7,105,814	7,795,155	10
COMMERCIAL AND INDUSTRIAL	5,187,692	6,379,784	7,103,757	6,964,990	8,796,501	11
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	12,303,114	13,326,811	14,547,524	14,070,804	16,591,656	14
RESALE	-	-	-	-	-	15
TOTAL GAS SALES	12,303,114	13,326,811	14,547,524	14,070,804	16,591,656	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	58,827	58,526	58,301	58,176	58,203	17
COMMERCIAL AND INDUSTRIAL	6,240	6,092	5,948	5,805	5,652	18
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	65,067	64,618	64,249	63,981	63,855	21
RESALE	-	-	-	-	-	22
TOTAL CUSTOMERS	65,067	64,618	64,249	63,981	63,855	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 724.74	$ 747.31	$ 836.20	$ 816.06	$ 718.75	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	121	119	128	122	134	25
AVERAGE REVENUE PER MCF SOLD	$ 5.99	$ 6.30	$ 6.55	$ 6.68	$ 5.37	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 4,591.89	$ 5,918.10	$ 7,172.68	$ 7,375.93	$ 7,621.58	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	831	1,047	1,194	1,200	1,556	28
AVERAGE REVENUE PER MCF SOLD	$ 5.52	$ 5.65	$ 6.01	$ 6.15	$ 4.90	29
GAS OPERATION AND MAINTENANCE EXPENSES						
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	219,299	445,340	278,376	227,194	364,757	31
NATURAL GAS						
PRODUCTION AND GATHERING	-	-	-	-	-	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	51,470,550	60,544,942	70,475,191	73,299,160	71,468,473	35
OTHER	1,718	13,489-	23,751-	41,684-	42,283-	36
TOTAL PRODUCTION EXPENSE	51,691,567	60,976,793	70,729,816	73,484,670	71,790,947	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	-	-	-	-	-	41
DISTRIBUTION EXPENSES	4,195,606	4,054,447	3,682,005	3,577,529	3,561,377	42
CUSTOMER ACCOUNTS EXPENSES	2,032,605	1,894,996	1,986,204	1,729,476	1,783,909	43
SALES EXPENSES	569,372	549,976	478,984	354,213	425,889	44
ADMINISTRATIVE AND GENERAL EXPENSES	2,786,586	2,877,379	2,713,796	2,530,520	2,291,771	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 61,275,737	$ 70,353,590	$ 79,590,805	$ 81,676,408	$ 79,853,893	46
GAS UTILITY PLANT*						
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 37,100	$ 28,865	$ 28,865	$ 28,865	$ 28,865	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	1,998,701	1,506,704	1,467,763	1,455,323	1,399,515	50
NATURAL GAS PLANT	804,431	804,431	804,431	804,431	804,431	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	39,512,667	35,885,763	33,171,287	31,073,365	29,362,162	56
GENERAL PLANT	1,543,836	1,361,698	1,319,748	1,343,022	1,272,903	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	43,896,735	39,587,461	36,792,094	34,705,006	32,867,876	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	1,040,109	766,449	167,025	166,503	201,925	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	44,936,845	40,353,910	36,959,119	34,871,509	33,069,801	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	12,964,664	12,267,340	11,570,851	10,970,214	10,383,863	67
NET GAS UTILITY PLANT	$ 31,972,181	$ 28,086,570	$ 25,388,268	$ 23,901,295	$ 22,685,938	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 39,587,461	$ 36,792,094	$ 34,705,006	$ 32,867,876	$ 30,530,561	69
ADDITIONS	4,705,170	3,053,052	2,382,342	2,098,226	2,536,660	70
RETIREMENTS	395,896	257,685	295,254	261,096	199,345	71
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	72
PLANT IN SERVICE END OF YEAR	$ 43,896,735	$ 39,587,461	$ 36,792,094	$ 34,705,006	$ 32,867,876	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

COLUMBIA GAS OF NEW YORK, INC.

LINE NO.	ITEM		1986		1985		1984		1983		1982
1	REVENUES	$	71,441,647	$	80,449,435	$	90,368,371	$	92,085,818	$	88,674,697
2	SALES (MCF)		12,303,114		13,326,811		14,547,524		14,070,804		16,591,666
							DOLLAR AMOUNTS				
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$	51,472,268	$	60,531,453	$	70,451,440	$	73,257,476	$	71,426,190
4	WAGES AND BENEFITS		5,534,431		5,428,354		5,175,649		4,909,622		4,610,636
5	OTHER OPERATION AND MAINTENANCE EXPENSES		4,259,038		4,393,783		3,963,716		3,509,310		3,817,067
6	DEPRECIATION AND AMORTIZATION EXPENSES		1,210,715		1,088,078		1,077,689		1,037,614		994,274
7	INCOME TAXES - OPERATING		824,328		866,034		967,390		914,993		338,645
8	OTHER TAXES - OPERATING		5,617,458		5,863,181		6,116,500		6,007,642		5,478,001
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS		1,358,742		1,292,180		1,152,623		1,067,821		1,500,269
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
11	EARNINGS AVAILABLE FOR COMMON EQUITY		1,154,669		986,372		1,473,364		1,381,340		509,615
12	TOTAL	$	71,441,647	$	80,449,435	$	90,368,371	$	92,085,818	$	88,674,697
							PERCENT OF REVENUES				
13	PURCHASED GAS & OTHER SUPPLY EXPENSE		72.0		75.2		78.0		79.6		80.5
14	WAGES AND BENEFITS		7.7		6.7		5.7		5.3		5.2
15	OTHER OPERATION AND MAINTENANCE EXPENSES		6.0		5.5		4.4		3.8		4.3
16	DEPRECIATION AND AMORTIZATION EXPENSES		1.7		1.4		1.2		1.1		1.1
17	INCOME TAXES - OPERATING		1.2		1.1		1.1		1.0		0.4
18	OTHER TAXES - OPERATING		7.9		7.3		6.8		6.5		6.2
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS		1.9		1.6		1.3		1.2		1.7
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
21	EARNINGS AVAILABLE FOR COMMON EQUITY		1.6		1.2		1.6		1.5		0.6
22	TOTAL		100.0		100.0		100.0		100.0		100.0
							DOLLARS PER MCF				
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$	4.18	$	4.54	$	4.84	$	5.21	$	4.30
24	WAGES AND BENEFITS		0.45		0.41		0.36		0.35		0.28
25	OTHER OPERATION AND MAINTENANCE EXPENSES		0.35		0.33		0.27		0.25		0.23
26	DEPRECIATION AND AMORTIZATION EXPENSES		0.10		0.08		0.07		0.07		0.06
27	INCOME TAXES - OPERATING		0.07		0.06		0.07		0.07		0.02
28	OTHER TAXES - OPERATING		0.46		0.44		0.42		0.43		0.33
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS		0.11		0.10		0.08		0.08		0.09
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
31	EARNINGS AVAILABLE FOR COMMON EQUITY		0.09		0.07		0.10		0.10		0.03
32	TOTAL	$	5.81	$	6.04	$	6.21	$	6.54	$	5.34

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC.

LINE NO.	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 835,171,322	$ 793,242,870	$ 749,407,088	$ 712,661,079	$ 672,331,811
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	172,959,715	161,314,247	142,064,274	124,979,540	110,276,631
3	NET GAS UTILITY PLANT	662,211,607	631,928,623	607,342,814	587,681,539	562,055,180
4	OTHER UTILITY PLANT	9,244,559,150	8,895,027,427	8,618,405,474	8,282,550,776	7,973,353,051
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	2,586,230,395	2,431,181,717	2,328,272,579	2,193,534,596	2,000,271,328
6	NET OTHER UTILITY PLANT	6,658,328,755	6,463,845,710	6,290,132,895	6,089,016,180	5,973,081,723
7	TOTAL UTILITY PLANT	10,079,730,472	9,688,270,297	9,367,812,562	8,995,211,855	8,645,684,862
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	2,759,190,110	2,592,495,964	2,470,336,853	2,318,514,136	2,110,547,959
9	NET TOTAL UTILITY PLANT	7,320,540,362	7,095,774,333	6,897,475,709	6,676,697,719	6,535,136,903
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPRECIATION AND AMORTIZATION	2,333,133	2,668,546	3,303,442	3,480,748	3,296,745
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	260,641,141	6,380,957	5,947,074	5,399,750	4,717,267
13	OTHER INVESTMENTS	6,483,024	1,192,708	106,386	106,485	646,827
14	SPECIAL FUNDS	711,075	75,728	91,502	92,297	112,625
15	TOTAL OTHER PROPERTY AND INVESTMENTS	270,168,373	10,317,939	9,448,404	9,079,280	8,773,464
16	CASH	16,421,598	14,598,691	17,014,965	8,130,718	7,708,219
17	SPECIAL DEPOSITS	8,944,192	4,497,936	11,357,007	1,619,094	1,238,206
18	WORKING FUNDS	1,607,631	1,049,352	1,334,870	1,175,492	2,724,157
19	TEMPORARY CASH INVESTMENTS	688,130,004	836,760,669	748,555,642	589,685,961	333,256,335
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	343,582,619	403,169,594	402,444,478	425,476,680	369,151,372
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
22	MATERIALS AND SUPPLIES	252,404,136	294,866,183	320,672,805	293,681,950	316,638,230
23	GAS STORED UNDERGROUND-CURRENT	18,147,439	18,664,999	29,057,116	35,412,612	44,552,440
24	LIQUEFIED NATURAL GAS IN STORAGE	5,835,985	5,666,737	5,343,508	4,702,104	4,352,846
25	PREPAYMENTS	39,146,662	37,412,031	47,387,933	29,498,654	23,213,271
26	OTHER CURRENT AND ACCRUED ASSETS	3,230,600	8,345,833	15,067,974	9,782,374	3,596,106
27	TOTAL CURRENT AND ACCRUED ASSETS	1,377,451,866	1,625,032,025	1,598,246,298	1,399,166,639	1,106,430,182
28	UNAMORTIZED DEBT EXPENSE	22,088,351	20,417,887	15,811,046	16,973,988	18,154,592
29	EXTRAORDINARY PROPERTY LOSSES	54,198,565	80,740,772	31,910,678	37,016,386	6,721,110
30	PREL. SURVEY + INVESTIGATION CHARGES	666,974	178,302	3,131,048	-	-
31	CLEARING ACCOUNTS	2,064,954	2,744,174	3,524,777	3,894,793	3,358,790
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	4,947,359-	6,425,459-	5,570,402-	7,686,497-	3,698,020-
34	ACCUMULATED DEFERRED INCOME TAXES	59,662,000	55,947,000	42,473,000	39,222,000	42,856,000
35	OTHER DEFERRED DEBITS	63,989,226	129,722,771	128,544,014	104,059,792	193,490,361
36	TOTAL DEFERRED DEBITS	197,722,711	283,325,447	219,824,161	193,480,462	260,882,833
37	TOTAL ASSETS AND OTHER DEBITS	$ 9,165,883,312	$ 8,994,449,744	$ 8,724,994,572	$ 8,278,423,100	$ 7,911,223,382
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 592,603,015	$ 604,543,535	$ 649,489,586	$ 648,761,000	$ 642,627,220
39	PREFERRED STOCK ISSUED	650,916,727	655,201,027	659,336,927	663,828,727	669,326,827
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	734,161,657	748,389,113	803,518,126	802,004,911	781,889,513
43	OTHER PAID-IN CAPITAL	-	-	-	-	-
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	32,736,678-	33,250,913-	35,083,426-	35,094,014-	34,871,280-
46	RETAINED EARNINGS	2,741,176,021	2,632,985,161	2,593,797,871	2,287,687,133	1,993,471,354
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	2,084,601	326,362	266,479	312,024	281,532
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	4,688,204,343	4,608,194,285	4,671,325,562	4,367,499,781	4,052,724,166
50	BONDS (LESS BONDS REACQUIRED)	2,332,889,500	2,407,889,500	2,482,889,500	2,522,889,500	2,567,889,500
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	406,319,653	256,415,036	505,326	590,795	671,700
53	NET UNAMORTIZED PREMIUM + DISCOUNT	943,995	1,160,058	1,393,918	1,627,778	1,893,384
54	TOTAL LONG TERM DEBT	2,740,153,148	2,665,464,594	2,484,788,744	2,525,108,073	2,570,454,584
55	NOTES PAYABLE	-	-	-	-	-
56	ACCOUNTS PAYABLE	120,197,162	179,180,944	182,297,540	161,295,259	178,100,417
57	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
58	CUSTOMER DEPOSITS	125,251,601	116,107,083	101,966,559	86,276,383	79,754,681
59	TAXES ACCRUED	219,788,815	207,761,157	181,170,353	178,326,081	100,938,086
60	INTEREST ACCRUED	55,211,890	56,110,827	47,650,229	47,150,760	47,643,309
61	DIVIDENDS DECLARED	9,468,608	9,474,837	9,617,785	9,697,085	9,797,291
62	TAX COLLECTIONS PAYABLE	20,049,475	24,555,821	24,558,165	22,247,282	20,290,070
63	OTHER CURRENT AND ACCRUED LIABILITIES	206,700,286	185,815,083	164,088,768	148,486,614	141,275,661
64	TOTAL CURRENT AND ACCRUED LIABILITIES	756,667,837	779,005,752	711,339,399	653,479,464	577,799,515
65	CUSTOMER ADVANCES FOR CONSTRUCTION	3,759,874	2,772,687	1,990,124	960,217	524,400
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	289,918,000	283,158,000	281,490,000	240,990,000	225,280,000
68	OTHER DEFERRED CREDITS	51,651,110	71,286,803	75,555,906	60,820,706	70,615,098
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	463,000	626,000	796,000	1,647,000	2,415,000
70	LIBERALIZED DEPRECIATION	592,377,000	510,792,000	438,357,000	350,294,000	295,471,000
71	OTHER	30,589,000	64,146,000	70,627,000	68,053,000	107,742,000
72	TOTAL DEFERRED CREDITS	968,757,984	932,660,450	849,816,030	722,764,922	702,047,498
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	12,100,000	9,124,663	7,724,837	9,570,860	8,197,619
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	12,100,000	9,124,663	7,724,837	9,570,860	8,197,619
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 9,165,883,312	$ 8,994,449,744	$ 8,724,994,572	$ 8,278,423,100	$ 7,911,223,382

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

CONSOLIDATED EDISON CO. OF NEW YORK, INC.

ITEM	1986	1985	1984	1983	1982	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 696,973,297	$ 773,511,445	$ 763,071,285	$ 769,158,408	$ 694,197,645	1
OPERATION AND MAINTENANCE EXPENSE	475,197,286	553,544,175	536,508,740	546,187,262	525,164,739	2
DEPRECIATION EXPENSE	25,543,249	31,183,555	27,832,021	24,336,804	22,423,282	3
AMORTIZATION	631,780	215,598	293,945	315,954	336,922	4
TAXES OTHER THAN INCOME TAXES	100,913,506	102,500,843	98,711,073	92,914,842	82,773,168	5
INCOME TAXES	27,572,000	16,584,000	23,824,000	33,578,000	13,656,000	6
PROVISION FOR DEFERRED INCOME TAXES	27,839,000	35,803,000	33,647,000	33,669,000	31,727,000	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	23,927,000-	25,172,000-	25,337,000-	34,551,000-	32,610,000-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	73,119-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	633,696,702	714,659,171	695,479,779	696,450,862	643,571,111	12
NET OPERATING REVENUES	63,276,595	58,852,274	67,591,506	72,707,546	50,626,534	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	63,276,595	58,852,274	67,591,506	72,707,546	50,626,534	15
OTHER UTILITY OPERATING INCOME	646,622,508	656,290,938	683,373,836	656,074,208	587,040,132	16
TOTAL UTILITY OPERATING INCOME	709,899,103	715,143,212	750,965,342	728,781,754	637,666,666	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	3,004-	4,285-	2,184-	4,954-	15,553-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	302,317	298,368	277,738	243,482	316,995	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	1,991,524	59,883	81,191	94,379	89,758	21
INTEREST AND DIVIDEND INCOME	40,872,954	51,995,182	64,443,775	33,051,443	45,692,473	22
ALLOWANCE FOR CONSTRUCTION FUNDS	10,088,802	10,306,707	22,392,157	14,662,068	18,461,720	23
MISCELLANEOUS NONOPERATING INCOME	797,208	25,590	45,243	40,889	59,300	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	54,049,801	62,680,445	87,237,920	48,087,307	64,604,693	26
TOTAL INCOME	763,948,904	777,823,657	838,203,262	776,869,061	702,271,359	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	714,528	1,096,300	1,027,097	734,787	723,476	28
INCOME TAXES-NONOPERATING	9,940,000	18,860,000	26,340,000	12,210,000	18,630,000	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	8,271,339	6,013,387	6,467,062	6,433,303	4,806,321	32
TOTAL INCOME DEDUCTIONS	18,925,867	25,969,687	33,834,159	19,378,090	24,159,797	33
INCOME BEFORE INTEREST CHARGES	745,023,037	751,853,970	804,369,103	757,490,971	678,111,562	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	180,836,729	168,121,326	161,689,219	163,397,990	165,348,403	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	1,303,502	1,219,284	1,162,941	1,180,606	1,197,893	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	216,063-	233,860-	233,860-	265,606-	293,123-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	16,691,574	19,015,974	21,779,642	17,342,189	19,307,289	39
TOTAL INTEREST CHARGES	198,615,742	188,122,724	184,397,942	181,655,178	185,560,462	40
INCOME BEFORE EXTRAORDINARY ITEMS	546,407,295	563,731,246	619,971,161	575,835,793	492,551,100	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 546,407,295	$ 563,731,246	$ 619,971,161	$ 575,835,793	$ 492,551,100	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,632,985,161	$ 2,593,797,871	$ 2,287,687,133	$ 1,993,471,354	$ 1,755,569,193	47
BALANCE TRANSFERRED FROM INCOME	544,649,056	563,651,053	620,016,706	575,805,301	491,955,275	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	38,051,666	38,352,979	38,649,403	38,971,360	39,507,816	50
-COMMON STOCK	319,693,864	296,922,029	275,246,410	242,608,007	214,535,143	51
ADJUSTMENTS TO RETAINED EARNINGS	78,712,666-	189,188,755-	10,155-	10,155-	10,155-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,741,176,021	2,632,985,161	2,593,797,871	2,287,687,133	1,993,471,354	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	2,084,601	326,362	266,479	312,024	281,532	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,743,260,622	$ 2,633,311,523	$ 2,594,064,350	$ 2,287,999,157	$ 1,993,752,886	56
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	1.82	2.09	2.25	2.14	1.91	57
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	36.8	36.6	34.7	36.6	38.8	58
PREFERRED STOCK	8.7	9.0	9.2	9.6	10.1	59
COMMON STOCK AND OTHER PAID-IN CAPITAL	17.4	18.1	19.8	20.5	20.9	60
RETAINED EARNINGS	36.9	36.1	36.2	33.1	30.0	61
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	27.1	27.5	26.5	28.0	29.7	62
ACCUM PROVISION FOR DEPR : % OF UTILITY PLT	27.3	26.7	26.3	25.7	24.4	63
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	13.3	14.0	13.2	13.9	13.6	64
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	68.1	71.4	70.3	71.0	75.6	65
GAS DEPRECIATION AND AMORTIZATION	3.7	4.0	3.6	3.2	3.2	66
TOTAL INCOME TAXES-GAS OPERATING	4.5	3.6	4.2	4.2	1.8	67
OTHER TAXES-GAS, OPERATING	14.4	13.2	12.9	12.0	11.9	68
TOTAL GAS OPERATING EXPENSE	90.9	92.3	91.1	90.5	92.7	69
GAS OPERATING INCOME	9.0	7.6	8.8	9.4	7.2	70
INTEREST EXPENSE:						
PRETAX COVERAGE	6.0	6.2	6.7	6.4	5.2	71
NET INCOME-PERCENT OF OPERATING REVENUES	10.4	10.2	10.7	10.4	9.6	72
DIVIDEND APPROPRIATIONS, COMMON STOCK: % OF EARNINGS AVAILABLE FOR COMMON	62.8	56.5	47.3	45.1	47.3	73
PERCENT OF AVERAGE COMMON EQUITY: EARNINGS AVAILABLE FOR COMMON STOCK	12.7	13.1	15.0	15.1	13.9	74

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC

LINE NO.		1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 546,407,295	$ 563,731,246	$ 619,971,161	$ 575,835,793	$ 492,551,100
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	302,307,619	318,841,688	280,771,956	289,848,174	278,096,698
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	54,550,000	77,820,000	110,610,000	27,990,000	62,410,000
4	INTEREST CAPITALIZED	10,088,802-	10,305,707-	22,392,157-	14,662,068-	18,461,720-
5	OTHER (NET)	7,571,627	17,008,004	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	900,747,739	967,095,231	988,960,960	879,011,899	814,596,078
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	900,747,739	967,095,231	988,960,960	879,011,899	814,596,078
10	LESS DIVIDENDS: PREFERRED	38,051,666	38,352,979	38,649,403	38,971,360	39,507,816
11	COMMON	319,693,864	296,922,029	275,246,410	242,608,007	214,536,143
12	NET FUNDS FROM INTERNAL SOURCES	543,002,209	631,820,223	675,065,147	597,432,532	560,552,119
	EXTERNAL SOURCES					
13	LONG TERM DEBT	150,000,000	256,000,000	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	23,002,078	15,965,185
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	150,000,000	256,000,000	-	23,002,078	15,965,185
20	OTHER SOURCES (NET)	225,242,245	40,880,625	-	49,043,486	4,806,403
21						
22						
23	TOTAL FUNDS PROVIDED	$ 918,244,454	$ 928,700,848	$ 675,065,147	$ 669,478,096	$ 581,323,707
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 47,369,896	$ 48,593,177	$ 41,839,008	$ 44,379,756	$ 47,741,648
25	LIQUEFIED NATURAL GAS PLANT	58,834	54,392	62,714	326,825	356,392
26	NON-UTILITY	-	-	-	-	-
27	OTHER	451,587,666	482,026,358	435,249,701	375,047,170	397,315,160
28	TOTAL GROSS ADDITIONS	499,016,396	530,673,927	477,151,423	419,753,751	445,413,200
29	LESS INTEREST CAPITALIZED	10,088,802	10,305,707	22,392,157	14,662,068	18,461,720
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	488,927,594	520,368,220	454,759,266	405,091,683	426,951,480
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	75,095,383	75,090,291	40,085,468	45,080,906	121,756,585
32	PREFERRED STOCK	2,250,000	2,250,000	2,250,000	2,250,000	2,250,000
33	REDEMPTION OF CAPITAL STOCK	106,401,625	289,337,811	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	183,747,008	366,678,102	42,335,468	47,330,906	124,006,585
38	OTHER USES (NET)	245,569,860	41,654,526	177,970,413	217,055,508	30,365,642
39						
40						
41	TOTAL FUNDS APPLIED	$ 918,244,454	$ 928,700,848	$ 675,065,147	$ 669,478,096	$ 581,323,707

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC.

ITEM	1986	1985	1984	1983	1982	LINE NO.
		GAS OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 406,511,014	$ 393,936,043	$ 401,069,903	$ 402,411,419	$ 338,902,292	1
COMMERCIAL AND INDUSTRIAL	254,216,284	322,489,137	298,595,754	302,660,865	305,383,212	2
OTHER SALES TO PUBLIC AUTHORITIES	30,989,414	36,308,917	45,032,452	48,836,675	36,194,981	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	691,716,712	752,734,097	744,698,109	753,908,959	680,480,485	5
RESALE	-	-	-	-	-	6
TOTAL REVENUES FROM SALES OF GAS	691,716,712	752,734,097	744,698,109	753,908,959	680,480,485	7
OTHER GAS OPERATING REVENUES	5,256,585	20,777,348	18,373,176	15,249,449	13,717,160	8
TOTAL GAS OPERATING REVENUES	$ 696,973,297	$ 773,511,445	$ 763,071,285	$ 769,158,408	$ 694,197,645	9
GAS SALES (MCF)						
RESIDENTIAL	45,370,227	43,092,707	45,157,721	42,933,298	44,044,232	10
COMMERCIAL AND INDUSTRIAL	44,258,835	53,509,596	46,258,258	45,159,032	54,507,119	11
OTHER SALES TO PUBLIC AUTHORITIES	5,725,300	5,709,911	7,034,710	7,268,845	6,290,115	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	95,354,362	102,312,214	98,450,690	95,361,175	104,841,466	14
RESALE	-	-	-	-	-	15
TOTAL GAS SALES	95,354,362	102,312,214	98,450,690	95,361,175	104,841,466	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	933,274	934,783	934,075	932,439	933,394	17
COMMERCIAL AND INDUSTRIAL	86,185	84,132	82,433	81,289	80,446	18
OTHER SALES TO PUBLIC AUTHORITIES	1,424	1,359	1,286	1,270	1,193	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	1,020,883	1,020,274	1,017,794	1,014,998	1,015,033	21
RESALE	-	-	-	-	-	22
TOTAL CUSTOMERS	1,020,883	1,020,274	1,017,794	1,014,998	1,015,033	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 435.58	$ 421.42	$ 429.38	$ 431.57	$ 363.09	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	49	46	48	46	47	25
AVERAGE REVENUE PER MCF SOLD	$ 8.96	$ 9.14	$ 8.88	$ 9.37	$ 7.69	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 2,949.66	$ 3,833.13	$ 3,622.28	$ 3,723.27	$ 3,796.13	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	514	636	561	556	678	28
AVERAGE REVENUE PER MCF SOLD	$ 5.74	$ 6.03	$ 6.45	$ 6.70	$ 5.60	29
		GAS OPERATION AND MAINTENANCE EXPENSES				
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	-	-	-	-	-	31
NATURAL GAS						
PRODUCTION AND GATHERING	8,638	8,440	10,313	18,428	23,019	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	511,365,409	708,304,987	787,923,996	702,012,806	742,274,811	35
OTHER	204,156,134-	320,433,143-	406,270,959-	303,761,720-	360,632,898-	36
TOTAL PRODUCTION EXPENSE	307,217,913	387,880,284	381,663,350	398,269,311	381,664,932	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	2,740,578	2,562,869	2,464,079	2,421,190	2,864,982	39
TOTAL NATURAL GAS STORAGE EXPENSE	2,740,578	2,562,869	2,464,079	2,421,190	2,864,982	40
TRANSMISSION EXPENSES	-	-	-	-	-	41
DISTRIBUTION EXPENSES	82,465,750	78,843,259	70,950,719	68,981,219	66,917,449	42
CUSTOMER ACCOUNTS EXPENSES	30,718,667	32,124,355	33,150,905	30,738,756	30,604,990	43
SALES EXPENSES	3,768,404	3,030,682	3,256,394	2,941,977	3,097,278	44
ADMINISTRATIVE AND GENERAL EXPENSES	48,285,974	48,102,736	45,023,290	42,834,799	40,015,108	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 475,197,286	$ 552,544,175	$ 536,508,740	$ 546,187,262	$ 525,164,739	46
		GAS UTILITY PLANT*				
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	-	-	-	-	-	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	-	-	-	-	-	50
NATURAL GAS PLANT	1,328,418	1,562,649	1,715,597	1,959,838	2,244,896	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	35,320,218	35,314,066	35,115,770	35,025,381	34,799,182	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	784,782,987	744,693,889	699,791,740	657,319,309	621,893,015	56
GENERAL PLANT	-	-	-	-	-	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	1,238,998	1,238,998	1,238,998	1,238,998	1,238,998	60
TOTAL GAS PLANT IN SERVICE	822,670,621	782,809,602	737,862,105	695,543,526	660,176,091	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	12,500,701	10,433,368	11,544,983	17,117,553	12,155,720	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	835,171,322	793,242,870	749,407,088	712,661,079	672,331,811	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	172,959,715	161,314,247	142,064,274	124,979,540	110,276,631	67
NET GAS UTILITY PLANT	$ 662,211,607	$ 631,928,623	$ 607,342,814	$ 587,681,539	$ 562,055,180	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 782,809,602	$ 737,862,105	$ 695,543,526	$ 660,176,091	$ 615,894,326	69
ADDITIONS	45,361,371	49,760,183	47,474,284	39,744,747	50,128,658	70
RETIREMENTS	5,248,811	4,644,330	4,886,684	4,092,254	5,551,831	71
TRANSFERS AND ADJUSTMENTS	251,441-	168,436-	269,021-	285,058-	295,061-	72
PLANT IN SERVICE END OF YEAR	$ 822,670,621	$ 782,809,602	$ 737,862,105	$ 695,543,526	$ 660,176,091	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

CONSOLIDATED EDISON CO. OF NEW YORK, INC.

LINE NO.	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 696,973,297	$ 773,511,445	$ 763,071,285	$ 769,158,408	$ 694,197,645
2	SALES (MCF)	95,354,382	102,312,214	98,450,690	95,361,175	104,841,468
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 307,209,276	$ 387,871,844	$ 381,653,037	$ 398,250,886	$ 381,641,913
4	WAGES AND BENEFITS	115,691,591	114,287,947	110,500,517	99,965,282	97,378,058
5	OTHER OPERATION AND MAINTENANCE EXPENSES	52,223,301	50,384,384	44,365,186	47,981,094	46,144,768
6	DEPRECIATION AND AMORTIZATION EXPENSES	26,175,029	31,399,153	28,125,966	24,662,758	22,760,204
7	INCOME TAXES - OPERATING	31,484,000	28,215,000	32,134,000	32,696,000	12,873,000
8	OTHER TAXES - OPERATING	100,913,606	102,500,843	98,711,073	92,914,842	82,773,168
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	18,996,228	17,856,700	17,058,887	16,703,773	16,274,600
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	3,639,131	3,597,629	3,575,191	3,582,768	3,443,180
11	EARNINGS AVAILABLE FOR COMMON EQUITY	40,641,236	37,597,947	46,957,428	52,421,005	30,908,754
12	TOTAL	$ 696,973,297	$ 773,511,445	$ 763,071,285	$ 769,158,408	$ 694,197,645
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	44.1	50.1	50.0	51.8	55.0
14	WAGES AND BENEFITS	16.6	14.8	14.5	13.0	14.0
15	OTHER OPERATION AND MAINTENANCE EXPENSES	7.5	6.5	5.8	6.2	6.6
16	DEPRECIATION AND AMORTIZATION EXPENSES	3.8	4.1	3.7	3.2	3.3
17	INCOME TAXES - OPERATING	4.5	3.6	4.2	4.3	1.9
18	OTHER TAXES - OPERATING	14.5	13.3	12.9	12.1	11.9
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	2.7	2.3	2.2	2.2	2.3
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.5	0.5	0.5	0.5	0.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	5.8	4.9	6.2	6.8	4.5
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.22	$ 3.79	$ 3.88	$ 4.18	$ 3.64
24	WAGES AND BENEFITS	1.21	1.12	1.12	1.06	0.93
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.55	0.49	0.45	0.50	0.44
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.27	0.31	0.29	0.26	0.22
27	INCOME TAXES - OPERATING	0.33	0.28	0.33	0.34	0.12
28	OTHER TAXES - OPERATING	1.06	1.00	1.00	0.97	0.79
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.20	0.17	0.17	0.18	0.16
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.04	0.04	0.04	0.04	0.03
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.43	0.37	0.48	0.55	0.29
32	TOTAL	$ 7.31	$ 7.56	$ 7.75	$ 8.07	$ 6.62
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	9.57	9.39	9.27	9.21	8.97

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

CORNING NATURAL GAS CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 10,040,475	$ 8,928,097	$ 8,686,530	$ 8,383,931	$ 8,228,939
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	3,564,134	3,373,312	3,221,679	3,070,440	2,917,114
3	NET GAS UTILITY PLANT	6,476,341	5,554,785	5,464,851	5,313,491	5,311,825
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	10,040,475	8,928,097	8,686,530	8,383,931	8,228,939
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	3,564,134	3,373,312	3,221,679	3,070,440	2,917,114
9	NET TOTAL UTILITY PLANT	6,476,341	5,554,785	5,464,851	5,313,491	5,311,825
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPRECIATION AND AMORTIZATION	-	-	-	-	-
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	892,481	805,488	740,888	683,200	627,492
13	OTHER INVESTMENTS	-	-	-	-	-
14	SPECIAL FUNDS	425	425	425	425	425
15	TOTAL OTHER PROPERTY AND INVESTMENTS	892,906	805,913	741,313	683,625	627,917
16	CASH	176,760	281,855	265,080	315,308	291,263
17	SPECIAL DEPOSITS	2,432	100	200	-	300
18	WORKING FUNDS	2,500	2,150	2,150	2,150	2,100
19	TEMPORARY CASH INVESTMENTS	3,282	133,937	3,846	398,357	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	3,779,283	5,693,324	4,862,729	6,846,088	6,128,777
21	RECEIVABLES FROM ASSOCIATED COMPANIES	34,888	36,383	30,970	31,640	32,278
22	MATERIALS AND SUPPLIES	141,332	101,095	86,922	88,914	92,428
23	GAS STORED UNDERGROUND-CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	159,867	105,300	75,251	73,721	170,846
26	OTHER CURRENT AND ACCRUED ASSETS	-	78	-	-	-
27	TOTAL CURRENT AND ACCRUED ASSETS	4,300,344	6,354,222	5,327,148	7,756,178	6,717,992
28	UNAMORTIZED DEBT EXPENSE	25,343	22,000	25,505	29,444	33,383
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL. SURVEY + INVESTIGATION CHARGES	12,706	2,950	-	-	-
31	CLEARING ACCOUNTS	-	-	-	-	-
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	-	-	-	-	-
34	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
35	OTHER DEFERRED DEBITS	1,365,476	1,290,647	330,987	726,512	802,995
36	TOTAL DEFERRED DEBITS	1,403,525	1,315,597	356,492	755,956	836,378
37	TOTAL ASSETS AND OTHER DEBITS	$ 13,073,116	$ 14,030,517	$ 11,889,804	$ 14,509,250	$ 13,494,112
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 990,870	$ 990,870	$ 990,870	$ 990,870	$ 990,870
39	PREFERRED STOCK ISSUED	-	-	-	-	-
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
43	OTHER PAID-IN CAPITAL	-	-	-	-	-
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	-	-	-	-	-
46	RETAINED EARNINGS	2,287,825	2,200,243	2,134,229	2,008,493	1,830,972
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	790,103	703,110	638,510	580,822	525,114
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	4,068,798	3,894,223	3,763,609	3,580,185	3,346,956
50	BONDS (LESS BONDS REACQUIRED)	461,000	541,000	621,000	720,000	800,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	84,530	112,648	184,067	493,761	599,760
53	NET UNAMORTIZED PREMIUM + DISCOUNT	-	-	-	-	-
54	TOTAL LONG TERM DEBT	545,530	653,648	805,067	1,213,761	1,399,760
55	NOTES PAYABLE	2,897,000	-	500,000	-	250,000
56	ACCOUNTS PAYABLE	3,784,581	6,018,063	5,278,376	7,613,686	6,609,120
57	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
58	CUSTOMER DEPOSITS	152,484	138,235	129,127	106,149	91,531
59	TAXES ACCRUED	85,491	114,784	210,084	733,100	345,363
60	INTEREST ACCRUED	8,418	10,458	8,941	8,526	9,718
61	DIVIDENDS DECLARED	-	-	-	-	-
62	TAX COLLECTIONS PAYABLE	17,850	13,690	12,797	13,093	12,175
63	OTHER CURRENT AND ACCRUED LIABILITIES	146,944	165,984	194,301	185,986	84,887
64	TOTAL CURRENT AND ACCRUED LIABILITIES	7,092,768	6,461,214	6,333,626	8,660,540	7,402,794
65	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	292,773	-
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	148,601	161,537	139,719	-	104,921
68	OTHER DEFERRED CREDITS	345,170	1,839,165	273,135	111,677	676,409
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	412,739	346,298	-	-	-
70	LIBERALIZED DEPRECIATION	417,510	630,432	283,769	219,810	352,642
71	OTHER	-	-	246,879	387,504	167,630
72	TOTAL DEFERRED CREDITS	1,324,020	2,977,432	943,502	1,011,764	1,301,602
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	-	-	-	43,000	43,000
75	PENSION AND BENEFITS RESERVE	42,000	44,000	44,000	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	42,000	44,000	44,000	43,000	43,000
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 13,073,116	$ 14,030,517	$ 11,889,804	$ 14,509,250	$ 13,494,112

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

CORNING NATURAL GAS CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 39,629,464	$ 44,577,609	$ 53,995,617	$ 60,949,397	$ 52,550,829	1
OPERATION AND MAINTENANCE EXPENSE	37,176,363	42,114,210	51,329,990	58,023,620	49,625,551	2
DEPRECIATION EXPENSE	211,453	205,100	197,412	194,010	177,927	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	1,481,371	1,503,400	1,741,937	1,845,264	1,560,519	5
INCOME TAXES	411,512	242,352-	373,111	285,568	209,864	6
PROVISION FOR DEFERRED INCOME TAXES	302,243	480,316	183,653	205,030	502,465	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	448,724-	34,234	259,504-	117,988-	224,176-	8
MISC. ADJUSTMENTS OF INCOME TAXES	9,168-	9,168-	9,168-	9,168-	9,168-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	39,125,050	44,085,740	53,557,431	60,426,336	51,842,982	12
NET OPERATING REVENUES	504,414	491,869	438,186	523,061	707,847	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	504,414	491,869	438,186	523,061	707,847	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	504,414	491,869	438,186	523,061	707,847	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	-	-	-	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	151,993	129,600	117,688	100,708	104,203	21
INTEREST AND DIVIDEND INCOME	30,204	26,625	54,750	45,687	102,045	22
ALLOWANCE FOR CONSTRUCTION FUNDS	19,674	-	-	-	-	23
MISCELLANEOUS NONOPERATING INCOME	12,561	-	-	168	-	24
GAIN ON DISPOSITION OF PROPERTY	-	-	11,853	-	-	25
TOTAL OTHER INCOME	214,432	156,225	184,291	146,563	206,248	26
TOTAL INCOME	718,846	648,094	622,477	669,624	914,095	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	28
INCOME TAXES-NONOPERATING	22,104-	21,882-	15,726-	17,568-	18,319-	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	4,609	7,160	3,607	5,138	5,940	32
TOTAL INCOME DEDUCTIONS	17,495-	14,722-	12,119-	12,430-	12,379-	33
INCOME BEFORE INTEREST CHARGES	736,341	662,816	634,596	682,054	926,474	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	53,571	62,171	77,292	94,760	105,267	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	3,505	3,505	3,939	3,939	3,939	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	140,050	125,667	52,862	56,828	146,475	39
TOTAL INTEREST CHARGES	197,126	191,343	134,093	155,527	255,681	40
INCOME BEFORE EXTRAORDINARY ITEMS	539,215	471,473	500,503	526,527	670,793	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 539,215	$ 471,473	$ 500,503	$ 526,527	$ 670,793	46
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 2,200,243	$ 2,134,229	$ 2,008,493	$ 1,830,972	$ 1,516,826	47
BALANCE TRANSFERRED FROM INCOME	452,222	406,873	442,815	470,819	591,590	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	50
-COMMON STOCK	364,640	340,859	317,079	293,298	277,444	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,287,825	2,200,243	2,134,229	2,008,493	1,830,972	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	790,103	703,110	638,510	580,822	525,114	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 3,077,928	$ 2,903,353	$ 2,772,739	$ 2,589,315	$ 2,356,086	56
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	0.61	0.98	0.84	0.90	0.91	57
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	11.8	14.3	17.6	25.3	29.4	58
PREFERRED STOCK	-	-	-	-	-	59
COMMON STOCK AND OTHER PAID-IN CAPITAL	38.5	37.2	35.6	32.7	31.9	60
RETAINED EARNINGS	49.5	48.3	46.7	41.8	38.5	61
LONG-TERM DEBT % OF GROSS UTILITY PLANT	5.4	7.3	9.2	14.4	17.0	62
ACCUM. PROVISION FOR DEPR. % OF UTILITY PLT	35.4	37.7	37.0	36.6	35.4	63
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	64
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	93.8	94.4	95.0	95.1	94.4	65
GAS DEPRECIATION AND AMORTIZATION	0.5	0.4	0.3	0.3	0.3	66
TOTAL INCOME TAXES-GAS, OPERATING	0.6	0.5	0.5	0.5	0.9	67
OTHER TAXES-GAS, OPERATING	3.7	3.3	3.2	3.0	2.9	68
TOTAL GAS OPERATING EXPENSE	98.7	98.8	99.1	99.1	98.6	69
GAS OPERATING INCOME	1.2	1.1	0.8	0.8	1.3	70
INTEREST EXPENSE						
PRETAX COVERAGE	4.9	4.7	6.8	6.6	5.4	71
NET INCOME-PERCENT OF OPERATING REVENUES	1.3	1.0	0.9	0.8	1.2	72
DIVIDEND APPROPRIATIONS, COMMON STOCK						
% OF EARNINGS AVAILABLE FOR COMMON	67.6	72.2	63.3	55.7	41.3	73
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	13.5	12.3	13.6	15.2	21.2	74

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CORNING NATURAL GAS CORPORATION

LINE NO.		1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 539,215	$ 471,473	$ 500,503	$ 526,527	$ 670,793
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	233,138	230,287	223,034	219,632	203,549
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	159,418-	467,900	48,623-	93,797	322,523
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET):	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	612,933	1,169,660	674,914	839,956	1,196,865
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	612,933	1,169,660	674,914	839,956	1,196,865
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	364,640	340,859	317,078	293,298	277,444
12	NET FUNDS FROM INTERNAL SOURCES	248,293	828,801	357,836	546,658	919,421
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	-
20	OTHER SOURCES (NET):	2,767,860	1,664,859	524,431	319,794	1,622,836
21						
22						
23	TOTAL FUNDS PROVIDED	$ 3,016,153	$ 2,493,660	$ 882,267	$ 866,452	$ 2,542,257
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	GAS PLANT	$ 1,207,043	$ 369,808	$ 391,829	$ 241,109	$ 868,975
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	-	-	-
27	OTHER	-	-	-	-	-
28	TOTAL GROSS ADDITIONS	1,207,043	369,808	391,829	241,109	868,975
29	LESS INTEREST CAPITALIZED	-	-	-	-	-
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,207,043	369,808	391,829	241,109	868,975
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	108,118	151,419	408,695	185,999	185,281
32	PREFERRED STOCK	-	-	-	-	-
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
35	OTHER (NET):	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	108,118	151,419	408,695	185,999	185,281
38	OTHER USES (NET):	1,700,992	1,972,433	81,743	439,344	1,488,001
39						
40						
41	TOTAL FUNDS APPLIED	$ 3,016,153	$ 2,493,660	$ 882,267	$ 866,452	$ 2,542,257

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

CORNING NATURAL GAS CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO
GAS OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 7,833,581	$ 7,661,562	$ 8,180,812	$ 8,018,647	$ 7,308,420	1
COMMERCIAL AND INDUSTRIAL	9,232,602	10,824,688	14,412,039	15,948,771	12,311,520	2
OTHER SALES TO PUBLIC AUTHORITIES	707,327	721,999	819,721	850,452	716,260	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	17,773,610	19,208,249	23,412,572	24,817,870	20,336,200	5
RESALE	21,607,674	25,203,928	30,537,416	36,087,760	32,173,350	6
TOTAL REVENUES FROM SALES OF GAS	39,381,084	44,412,177	53,949,988	60,905,630	52,509,550	7
OTHER GAS OPERATING REVENUES	248,379	165,432	45,629	43,767	41,279	8
TOTAL GAS OPERATING REVENUES	$ 39,629,463	$ 44,577,609	$ 53,995,617	$ 60,949,397	$ 52,550,829	9
GAS SALES (MCF)						
RESIDENTIAL	1,533,931	1,495,807	1,628,268	1,485,331	1,661,208	10
COMMERCIAL AND INDUSTRIAL	2,062,219	2,247,716	3,068,731	3,170,501	2,874,109	11
OTHER SALES TO PUBLIC AUTHORITIES	144,175	147,428	169,395	163,925	169,165	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	3,740,325	3,890,950	4,866,394	4,819,757	4,704,482	14
RESALE	5,116,216	5,707,731	6,983,672	7,650,748	7,810,171	15
TOTAL GAS SALES	8,856,541	9,598,681	11,850,066	12,470,505	12,514,653	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	11,084	11,011	10,943	10,922	10,845	17
COMMERCIAL AND INDUSTRIAL	812	796	797	794	783	18
OTHER SALES TO PUBLIC AUTHORITIES	100	105	108	111	105	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	11,996	11,912	11,848	11,827	11,733	21
RESALE	2	2	2	2	2	22
TOTAL CUSTOMERS	11,998	11,914	11,850	11,829	11,735	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 706.75	$ 695.81	$ 747.58	$ 734.17	$ 673.90	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	138	136	149	136	153	25
AVERAGE REVENUE PER MCF SOLD	$ 5.11	$ 5.12	$ 5.02	$ 5.40	$ 4.40	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 11,370.20	$ 13,598.85	$ 18,082.86	$ 20,086.61	$ 15,723.52	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	2,540	2,824	3,850	3,993	3,671	28
AVERAGE REVENUE PER MCF SOLD	$ 4.48	$ 4.82	$ 4.70	$ 5.03	$ 4.28	29
GAS OPERATION AND MAINTENANCE EXPENSES						
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	-	-	-	-	-	31
NATURAL GAS						
PRODUCTION AND GATHERING	-	-	-	-	-	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	34,864,794	40,060,851	49,338,228	56,076,424	47,826,192	35
OTHER	7,085	7,803	5,581	2,233	1,224	36
TOTAL PRODUCTION EXPENSE	34,871,879	40,068,654	49,343,809	56,078,657	47,827,416	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	203,814	206,891	207,532	210,075	173,767	41
DISTRIBUTION EXPENSES	583,880	453,498	448,880	438,582	407,617	42
CUSTOMER ACCOUNTS EXPENSES	321,796	320,039	320,676	340,915	333,551	43
SALES EXPENSES	106,488	99,651	93,329	84,608	72,724	44
ADMINISTRATIVE AND GENERAL EXPENSES	1,088,506	965,477	915,764	870,783	810,476	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 37,176,363	$ 42,114,210	$ 51,329,990	$ 58,023,620	$ 49,625,551	46
GAS UTILITY PLANT*						
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 10,649	$ 10,649	$ 10,649	$ 10,649	$ 10,649	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	-	-	-	-	-	50
NATURAL GAS PLANT	66,239	38,858	48,792	130,591	130,591	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	2,928,262	2,851,182	2,837,513	2,810,853	2,797,934	55
DISTRIBUTION PLANT	5,354,895	4,599,837	4,382,347	4,169,388	4,083,358	56
GENERAL PLANT	1,458,938	1,388,261	1,370,016	1,265,015	1,218,031	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	9,818,983	8,888,787	8,649,317	8,386,496	8,240,563	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	221,492	39,310	37,213	2,565-	11,624-	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	10,040,475	8,928,097	8,686,530	8,383,931	8,228,939	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	3,564,134	3,373,312	3,221,679	3,070,440	2,917,114	67
NET GAS UTILITY PLANT	$ 6,476,341	$ 5,554,785	$ 5,464,851	$ 5,313,491	$ 5,311,825	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 8,888,787	$ 8,649,317	$ 8,386,496	$ 8,240,563	$ 7,431,606	69
ADDITIONS	1,024,862	381,319	433,850	231,880	448,384	70
RETIREMENTS	94,665	131,915	89,229	86,117	93,897	71
TRANSFERS AND ADJUSTMENTS	1-	9,934-	81,800-	170	454,470	72
PLANT IN SERVICE END OF YEAR	$ 9,818,983	$ 8,888,787	$ 8,649,317	$ 8,386,496	$ 8,240,563	73

*EXCLUDES ALLOCATION OF COMMON PLANT

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MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

CORNING NATURAL GAS CORPORATION

LINE NO.	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 39,629,464	$ 44,577,609	$ 53,995,617	$ 60,949,397	$ 52,550,829
2	SALES (MCF)	8,856,541	9,598,681	11,850,066	12,470,505	12,514,653
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 34,871,879	$ 40,068,654	$ 49,343,809	$ 56,078,657	$ 47,827,416
4	WAGES AND BENEFITS	1,458,970	1,367,126	1,351,762	1,231,325	1,090,548
5	OTHER OPERATION AND MAINTENANCE EXPENSES	845,514	678,430	634,419	713,638	707,587
6	DEPRECIATION AND AMORTIZATION EXPENSES	211,453	205,100	197,412	194,010	177,927
7	INCOME TAXES - OPERATING	255,863	263,030	288,092	363,442	478,985
8	OTHER TAXES - OPERATING	1,481,371	1,503,400	1,741,937	1,845,264	1,560,519
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	177,452	191,343	134,093	155,527	255,681
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	326,962	300,526	304,093	367,534	452,166
12	TOTAL	$ 39,629,464	$ 44,577,609	$ 53,995,617	$ 60,949,397	$ 52,550,829
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	88.0	89.9	91.4	92.0	91.0
14	WAGES AND BENEFITS	3.7	3.1	2.5	2.0	2.1
15	OTHER OPERATION AND MAINTENANCE EXPENSES	2.1	1.5	1.2	1.2	1.3
16	DEPRECIATION AND AMORTIZATION EXPENSES	0.5	0.5	0.4	0.3	0.3
17	INCOME TAXES - OPERATING	0.6	0.6	0.5	0.6	0.9
18	OTHER TAXES - OPERATING	3.7	3.4	3.2	3.0	3.0
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.4	0.4	0.2	0.3	0.5
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	0.8	0.7	0.6	0.6	0.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.94	$ 4.17	$ 4.16	$ 4.50	$ 3.82
24	WAGES AND BENEFITS	0.16	0.14	0.11	0.10	0.09
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.10	0.07	0.05	0.06	0.06
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.02	0.02	0.02	0.02	0.01
27	INCOME TAXES - OPERATING	0.03	0.03	0.02	0.03	0.04
28	OTHER TAXES - OPERATING	0.17	0.16	0.15	0.15	0.12
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.02	0.02	0.01	0.01	0.02
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.04	0.03	0.03	0.03	0.04
32	TOTAL	$ 4.47	$ 4.64	$ 4.56	$ 4.89	$ 4.20

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

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MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

LONG ISLAND LIGHTING COMPANY

LINE NO.	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 428,139,489	$ 397,767,512	$ 379,536,724	$ 368,911,767	$ 353,509,693
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	120,532,335	112,965,804	105,720,544	99,123,215	93,054,159
3	NET GAS UTILITY PLANT	307,607,154	284,801,708	273,816,180	269,788,552	260,455,534
4	OTHER UTILITY PLANT	8,287,176,391	7,769,471,113	6,893,007,284	6,053,608,031	5,183,231,708
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	798,919,921	740,105,284	682,844,026	628,174,775	579,463,683
6	NET OTHER UTILITY PLANT	7,488,256,470	7,029,365,829	6,210,163,258	5,425,433,256	4,603,768,025
7	TOTAL UTILITY PLANT	8,715,315,880	8,167,238,625	7,272,544,008	6,422,519,798	5,536,741,401
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	919,452,256	853,071,088	788,564,570	727,297,990	672,517,842
9	NET TOTAL UTILITY PLANT	7,795,863,624	7,314,167,537	6,483,979,438	5,695,221,808	4,864,223,559
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPRECIATION AND AMORTIZATION	995,388	1,885,950	2,810,569	2,815,520	2,823,013
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	444,207	519,522	569,669	636,925	608,056
13	OTHER INVESTMENTS	66,865,216	65,941,156	65,199,518	124,070,972	59,428,449
14	SPECIAL FUNDS	58,428	59,212	59,212	59,212	59,212
15	TOTAL OTHER PROPERTY AND INVESTMENTS	68,363,239	68,405,840	68,638,968	127,582,629	62,918,730
16	CASH	14,227,831	11,829,970	9,933,849	3,146,597	8,671,381
17	SPECIAL DEPOSITS	4,751,280-	74,863,124	61,899,894	3,557,160	8,307,719
18	WORKING FUNDS	176,926	197,580	171,487	164,187	166,575
19	TEMPORARY CASH INVESTMENTS	351,881,000	3,300,000	21,600,000	272,073,860	18,200,000
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	171,466,747	177,601,513	183,446,914	168,028,746	149,785,401
21	RECEIVABLES FROM ASSOCIATED COMPANIES	1,545-	1,838-	2,130-	2,572-	3,120
22	MATERIALS AND SUPPLIES	62,716,132	71,197,194	77,368,452	71,786,226	103,193,616
23	GAS STORED UNDERGROUND-CURRENT	36,962,550	37,170,628	41,959,894	42,404,131	45,209,692
24	LIQUEFIED NATURAL GAS IN STORAGE	2,028,167	2,257,044	1,755,186	1,545,198	1,735,002
25	PREPAYMENTS	9,238,369	12,047,416	2,014,617	1,060,487	1,016,606
26	OTHER CURRENT AND ACCRUED ASSETS	21,996,660	23,987,547	27,254,647	23,248,778	24,930,582
27	TOTAL CURRENT AND ACCRUED ASSETS	665,941,536	414,450,178	427,402,710	587,002,796	351,219,694
28	UNAMORTIZED DEBT EXPENSE	65,624,119	31,833,338	31,862,367	18,603,746	17,446,019
29	EXTRAORDINARY PROPERTY LOSSES	127,590,121	25,537,410	42,512,850	-	474,412
30	PREL. SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
31	CLEARING ACCOUNTS	-	-	-	-	-
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	7,472,505-	15,062,718-	11,855,267-	2,495,654-	1,426,027
34	ACCUMULATED DEFERRED INCOME TAXES	65,798,589	26,285,692	28,295,356	9,825,413	8,727,787
35	OTHER DEFERRED DEBITS	61,880,250	88,877,333	32,120,027	13,732,361	33,288,383
36	TOTAL DEFERRED DEBITS	313,420,574	157,471,055	122,915,323	39,665,866	61,362,628
37	TOTAL ASSETS AND OTHER DEBITS	$ 8,843,608,973	$ 7,954,494,610	$ 7,102,936,439	$ 6,449,473,101	$ 5,349,724,611
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 555,524,975	$ 555,294,496	$ 551,060,780	$ 520,600,350	$ 502,864,435
39	PREFERRED STOCK ISSUED	754,865,500	754,868,000	754,868,800	799,168,600	646,720,300
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	997,219,759	996,986,474	996,016,528	962,692,136	919,776,520
43	OTHER PAID-IN CAPITAL	3,637,299	3,637,299	3,637,299	1,333,416	1,064,427
44	INSTALLMENTS REC'D ON CAPITAL STOCK	100,886	107,481	342,890	337,245	443,061
45	CAPITAL STOCK EXPENSE	56,138,161-	56,116,102-	56,103,001-	56,278,151-	50,334,877-
46	RETAINED EARNINGS	1,797,122,776	1,480,471,857	956,192,008	579,961,235	501,680,906
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	196,644	172,471	164,293	153,907	125,128
48	REACQUIRED CAPITAL STOCK	26,701,240-	7,653,963-	505,284-	1,771,600-	-
49	TOTAL PROPRIETARY CAPITAL	4,026,828,438	3,727,768,012	3,205,674,313	2,806,397,238	2,522,339,900
50	BONDS (LESS BONDS REACQUIRED)	2,318,000,000	2,141,000,000	1,837,500,000	1,716,000,000	1,643,000,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	1,511,796,180	1,292,095,003	1,295,104,661	1,345,151,764	665,164,241
53	NET UNAMORTIZED PREMIUM + DISCOUNT	28,281,187-	9,414,094-	9,658,157-	8,197,924-	5,604,200-
54	TOTAL LONG TERM DEBT	3,801,514,993	3,423,680,909	3,123,946,504	3,052,953,840	2,302,560,041
55	NOTES PAYABLE	-	-	-	-	-
56	ACCOUNTS PAYABLE	89,185,088	102,166,096	120,943,807	111,937,967	147,674,248
57	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
58	CUSTOMER DEPOSITS	15,361,594	14,013,590	12,761,596	12,230,663	10,865,230
59	TAXES ACCRUED	18,099,121	20,100,409	124,131,381	54,520,653	56,665,537
60	INTEREST ACCRUED	69,967,486	59,618,325	59,579,666	61,412,898	44,726,931
61	DIVIDENDS DECLARED	-	-	-	67,488,118	60,428,695
62	TAX COLLECTIONS PAYABLE	3,359,316	4,174,097	4,594,247	4,470,561	3,934,716
63	OTHER CURRENT AND ACCRUED LIABILITIES	36,307,104	45,267,803	39,051,309	23,817,666	23,871,444
64	TOTAL CURRENT AND ACCRUED LIABILITIES	232,279,709	245,340,319	361,062,006	335,978,616	348,116,801
65	CUSTOMER ADVANCES FOR CONSTRUCTION	5,308,768	4,428,264	3,364,718	3,021,885	2,619,722
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	71,384,400	289,045,446	243,906,530	143,790,116	90,796,116
68	OTHER DEFERRED CREDITS	69,886,185	183,838,163	106,482,867	71,461,297	47,454,081
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	882,480	1,313,530	1,744,440	2,176,420	2,606,400
70	LIBERALIZED DEPRECIATION	565,252,901	39,516,513	26,936,127	20,908,819	17,393,431
71	OTHER	55,238,665	30,229,919	10,821,006	6,199,517	9,991,067
72	TOTAL DEFERRED CREDITS	767,953,399	648,371,836	393,255,687	247,557,054	170,859,817
73	PROPERTY INSURANCE RESERVE	-	-	-	925,926	925,926
74	INJURIES AND DAMAGE RESERVES	9,290,418	8,456,239	7,121,867	6,437,577	7,336,675
75	PENSION AND BENEFITS RESERVE	1,808,824	2,097,539	1,679,971	1,232,996	720,000
76	MISCELLANEOUS OPERATING RESERVES	3,933,192	1,220,243-	10,196,091	2,010,046-	3,133,549-
77	TOTAL OPERATING RESERVES	15,032,434	9,333,535	18,997,929	6,586,453	5,849,052
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 8,843,608,973	$ 7,954,494,610	$ 7,102,936,439	$ 6,449,473,101	$ 5,349,724,611

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

LONG ISLAND LIGHTING COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 372,849,072 $	438,420,039 $	483,835,248 $	447,198,635 $	389,684,297	1
OPERATION AND MAINTENANCE EXPENSE	270,773,889	321,640,210	385,210,627	361,553,528	310,559,543	2
DEPRECIATION EXPENSE	8,907,532	8,168,905	7,910,709	7,619,556	7,205,910	3
AMORTIZATION	37,588	72,628	99,796	616,246	706,995	4
TAXES OTHER THAN INCOME TAXES	47,483,475	46,678,329	42,163,952	39,362,375	34,144,039	5
INCOME TAXES	5,969,089	9,223,864	20,002,830	14,474,329	5,080,281	6
PROVISION FOR DEFERRED INCOME TAXES	1,926,397-	2,107,164	4,208,628	3,589,444-	5,602,454	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	6,193,287	9,314,757	9,215,316-	1,820,127-	749,458-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	337,438,463	397,196,855	451,381,226	418,216,463	362,549,744	12
NET OPERATING REVENUES	35,410,609	41,224,184	32,454,022	28,982,172	27,134,553	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	35,410,609	41,224,184	32,454,022	28,982,172	27,134,553	15
OTHER UTILITY OPERATING INCOME	351,668,597	346,915,754	281,405,645	240,565,653	220,641,312	16
TOTAL UTILITY OPERATING INCOME	387,079,206	388,139,938	313,859,667	269,547,825	247,775,865	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	58,568-	38,691-	81,143	119,210-	191,842-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	26,521-	67,238	1,909-	14,986-	31,375-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	70,914	66,504	68,621	87,194	84,041	21
INTEREST AND DIVIDEND INCOME	9,154,201	2,414,817	20,993,947	12,892,725	6,575,347	22
ALLOWANCE FOR CONSTRUCTION FUNDS	251,389,566	378,239,590	310,120,981	284,841,162	201,376,733	23
MISCELLANEOUS NONOPERATING INCOME	1,315,550	39,768-	39,938-	69,658-	71,663-	24
GAIN ON DISPOSITION OF PROPERTY	504,862	13,120	-	22,567	289,493	25
TOTAL OTHER INCOME	262,350,064	380,722,810	331,222,845	297,639,794	208,030,734	26
TOTAL INCOME	649,429,270	768,862,748	645,082,512	567,187,619	455,806,599	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	770,284-	353,495	3,758,779-	148,331-	88,725-	28
INCOME TAXES-NONOPERATING	82,577,549-	85,049,531-	81,003,124-	31,511,016-	39,915,045-	29
LOSS ON DISPOSITION OF PROPERTY	351,965	6,485	-	54	8,977	30
MISCELLANEOUS AMORTIZATION	-	-	599,289	1,177,407	1,177,407	31
MISCELLANEOUS INCOME DEDUCTIONS	20,678,540	2,727,274	13,494,787	3,283,747	2,869,185	32
TOTAL INCOME DEDUCTIONS	62,317,328-	81,962,277-	70,667,827-	27,198,139-	35,948,201-	33
INCOME BEFORE INTEREST CHARGES	711,746,598	850,825,025	715,750,339	594,385,758	491,754,800	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	379,751,440	310,975,697	275,978,832	214,952,213	170,574,406	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	7,253,392	11,257,645	5,825,519	2,126,276	1,805,826	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	111,470-	115,692-	127,038-	129,173-	131,298-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	8,178,144	4,419,348	6,285,120	12,462,783	10,112,284	39
TOTAL INTEREST CHARGES	395,071,506	326,536,998	287,962,433	229,412,099	182,361,218	40
INCOME BEFORE EXTRAORDINARY ITEMS	316,675,092	524,288,027	427,787,906	364,973,659	309,393,582	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 316,675,092 $	524,288,027 $	427,787,906 $	364,973,659 $	309,393,582	46
UNAPPROPRIATED RETAINED EARNINGS BEG.OF YR	$ 1,480,471,857 $	966,192,008 $	579,961,235 $	501,680,906 $	439,209,440	47
BALANCE TRANSFERRED FROM INCOME	316,650,919	524,279,849	427,777,610	364,944,790	309,344,537	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	79,811,000	83,725,000	87,524,000	78,998,038	60,008,969	50
-COMMON STOCK	-	-	258	207,628,184	156,864,102	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	1,199-	38,259-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,797,122,776	1,480,471,857	966,192,008	579,961,235	501,680,906	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	196,644	172,471	164,293	153,997	125,128	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 1,797,319,420 $	1,480,644,328 $	966,356,301 $	580,115,232 $	501,806,034	56
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	2.87	1.69	1.18	1.75	1.04	57
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	48.5	47.8	49.3	52.1	47.7	58
PREFERRED STOCK	9.6	10.5	11.9	13.6	13.4	59
COMMON STOCK AND OTHER PAID-IN CAPITAL	18.8	20.8	23.6	24.3	28.4	60
RETAINED EARNINGS	22.9	20.7	15.1	9.8	10.3	61
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	43.6	41.9	42.9	47.5	41.5	62
ACCUM PROVISION FOR DEPR: % OF UTILITY PLT	10.5	10.4	10.8	11.3	12.1	63
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	18.7	20.7	23.0	23.7	22.7	64
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	72.6	73.3	79.8	80.8	79.6	65
GAS DEPRECIATION AND AMORTIZATION	2.3	1.8	1.6	1.8	2.0	66
TOTAL INCOME TAXES-GAS, OPERATING	2.7	4.7	3.0	2.0	2.5	67
OTHER TAXES-GAS, OPERATING	12.7	10.6	8.7	8.8	8.7	68
TOTAL GAS OPERATING EXPENSE	90.5	90.5	93.2	93.5	93.0	69
GAS OPERATING INCOME	9.4	9.4	6.7	6.4	6.9	70
INTEREST EXPENSE:						
PRETAX COVERAGE *	2.2	2.8	2.4	2.5	2.4	71
NET INCOME-PERCENT OF OPERATING REVENUES	15.9	24.7	20.3	19.3	18.0	72
DIVIDEND APPROPRIATIONS,COMMON STOCK: % OF EARNINGS AVAILABLE FOR COMMON	-	-	-	72.6	74.9	73
PERCENT OF AVERAGE COMMON EQUITY: EARNINGS AVAILABLE FOR COMMON STOCK	7.8 **	16.2 **	15.2 **	14.7	14.6	74

* LONG ISLAND LIGHTING COMPANY INCLUDES INTEREST ON TRUST OBLIGATIONS

** CALCULATION ASSUMES LONG ISLAND LIGHTING COMPANY'S PREFERRED DIVIDENDS ARE ACCRUED

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

LONG ISLAND LIGHTING COMPANY

LINE NO.		1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 332,675,092	$ 524,288,027	$ 427,787,905	$ 364,973,659	$ 309,393,582
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	86,418,595	83,664,214	71,390,748	64,477,554	62,628,005
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	170,386,053	153,530,733	101,719,289	65,019,864	48,082,867
4	INTEREST CAPITALIZED	251,389,566-	378,239,591-	310,120,980-	284,841,162-	201,376,733-
5	OTHER (NET):	21,847,415	28,649,645	24,726,099	13,166,782	13,608,107
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	359,916,589	411,893,033	315,503,061	222,796,697	232,305,619
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	359,916,589	411,893,033	315,503,061	222,796,697	232,305,619
10	LESS DIVIDENDS: PREFERRED	-	-	51,545,379	78,998,037	60,008,969
11	COMMON	-	-	258	207,628,164	186,864,102
12	NET FUNDS FROM INTERNAL SOURCES	359,916,589	411,893,033	263,957,424	63,829,504-	14,567,452-
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	1,225,000,000	503,729,554	264,500,000	685,000,000	217,200,000
14	PREFERRED STOCK	-	-	-	171,758,990	76,120,614
15	COMMON STOCK	457,171	2,180,427-	63,584,811	54,351,541	292,528,300
16	NET INCREASE IN SHORT TERM DEBT	358,579,768	-	-	-	-
17	OTHER (NET):	-	54,292,006-	84,990,491-	175,039,568	145,692,004
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	1,584,036,939	447,257,121	243,094,320	1,086,150,099	731,540,918
20	OTHER SOURCES (NET)	123,452,527	1,204,313	291,479,720	37,765,964	96,271,606
21						
22						
23	TOTAL FUNDS PROVIDED	$ 2,067,406,055	$ 860,354,467	$ 798,531,464	$ 1,060,086,559	$ 813,245,072
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 30,199,545	$ 21,200,071	$ 12,742,450	$ 18,657,021	$ 22,386,672
25	LIQUEFIED NATURAL GAS PLANT	2,701,918	548,873	316,727	390,164	231,072
26	NON-UTILITY	10	-	-	-	-
27	OTHER	523,666,793	879,434,506	907,994,337	880,629,522	865,943,509
28	TOTAL GROSS ADDITIONS	556,568,266	901,183,450	921,053,514	899,676,707	888,561,253
29	LESS INTEREST CAPITALIZED	251,389,566	378,239,591	310,120,980	284,841,162	201,376,733
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	305,178,700	522,943,859	610,932,534	614,835,545	687,184,520
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	552,786,632	149,947,206	107,056,611	107,052,046	72,047,847
32	PREFERRED STOCK	18,049,777	800	40,729,602	14,323,300	12,612,700
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
35	OTHER (NET):	634,091,959	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	1,204,928,368	149,948,006	147,786,213	121,375,346	84,660,547
38	OTHER USES (NET):	557,298,987	187,462,602	39,812,717	323,875,668	41,400,005
39						
40						
41	TOTAL FUNDS APPLIED	$ 2,067,406,055	$ 860,354,467	$ 798,531,464	$ 1,060,086,559	$ 813,245,072

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

LONG ISLAND LIGHTING COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO.
		GAS OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 243,329,924	$ 225,995,049	$ 230,960,867	$ 222,896,490	$ 193,588,324	1
COMMERCIAL AND INDUSTRIAL	121,984,708	126,756,742	127,116,989	126,829,349	117,330,998	2
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	3
INTERDEPARTMENTAL	5,487,697	82,742,339	123,960,916	95,284,658	76,682,108	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	370,802,329	435,494,130	481,628,794	445,010,497	387,601,430	5
RESALE	-	-	-	-	-	6
TOTAL REVENUES FROM SALES OF GAS	370,802,329	436,494,130	481,628,794	445,010,497	387,601,430	7
OTHER GAS OPERATING REVENUES	2,046,743	2,925,909	2,206,455	2,188,138	2,082,867	8
TOTAL GAS OPERATING REVENUES	$ 372,849,072	$ 438,420,039	$ 483,835,249	$ 447,198,635	$ 389,684,297	9
GAS SALES (MCF)						
RESIDENTIAL	30,958,838	28,929,719	30,186,846	28,519,898	29,786,541	10
COMMERCIAL AND INDUSTRIAL	19,046,949	19,032,617	19,025,393	18,252,638	19,789,153	11
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	12
INTERDEPARTMENTAL	1,022,532	19,350,089	26,963,001	21,929,212	18,498,289	13
TOTAL SALES TO ULTIMATE CONSUMERS	51,028,319	67,312,426	76,175,241	68,701,749	68,073,984	14
RESALE	-	-	-	-	-	15
TOTAL GAS SALES	51,028,319	67,312,426	76,175,241	68,701,749	68,073,984	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	373,225	371,187	369,537	368,217	365,902	17
COMMERCIAL AND INDUSTRIAL	34,692	33,162	32,452	32,226	32,028	18
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	19
INTERDEPARTMENTAL	1	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	407,917	404,349	401,989	400,443	397,930	21
RESALE	-	-	-	-	-	22
TOTAL CUSTOMERS	407,917	404,349	401,989	400,443	397,930	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 651.97	$ 608.84	$ 624.97	$ 605.34	$ 529.07	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	83	76	82	77	81	25
AVERAGE REVENUE PER MCF SOLD	$ 7.86	$ 7.81	$ 7.65	$ 7.82	$ 6.50	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 3,516.22	$ 3,822.35	$ 3,917.08	$ 3,926.62	$ 3,663.39	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	549	574	586	566	618	28
AVERAGE REVENUE PER MCF SOLD	$ 6.40	$ 6.66	$ 6.68	$ 6.95	$ 5.93	29
		GAS OPERATION AND MAINTENANCE EXPENSES				
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	$ 81,472	$ 144,399	$ 165,470	$ 216,919	$ 209,368	30
MANUFACTURED GAS	911,981	805,287	621,942	610,853	1,061,149	31
NATURAL GAS						
PRODUCTION AND GATHERING	5,192	7,606	7,917	16,135	5,902	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	208,218,673	277,382,964	313,383,544	299,312,268	256,327,569	35
OTHER	999,569	4,704,045	806,730	3,785,957	9,744,624-	36
TOTAL PRODUCTION EXPENSE	210,216,887	283,043,891	314,986,203	303,941,142	256,859,354	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	2,176,550	2,149,712	2,028,067	1,776,160	1,734,037	39
TOTAL NATURAL GAS STORAGE EXPENSE	2,176,550	2,149,712	2,028,067	1,776,160	1,734,037	40
TRANSMISSION EXPENSES	4,815,577	4,400,631	4,264,249	4,090,308	3,861,130	41
DISTRIBUTION EXPENSES	31,968,309	30,123,883	29,408,888	30,462,680	28,720,632	42
CUSTOMER ACCOUNTS EXPENSES	7,906,942	7,678,900	7,242,220	8,366,774	7,678,217	43
SALES EXPENSES	1,710,792	769,096	1,078,795	864,531	1,206,830	44
ADMINISTRATIVE AND GENERAL EXPENSES	11,980,832	6,425,906-	27,223,206	12,051,933	10,600,333	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 270,773,889	$ 321,640,210	$ 386,210,627	$ 361,553,628	$ 310,959,543	46
		GAS UTILITY PLANT*				
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	-	-	-	-	-	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	7,096,219	6,507,086	6,453,216	6,438,106	6,290,939	50
NATURAL GAS PLANT	664,690	685,086	743,886	824,614	939,393	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	14,273,321	12,697,763	12,594,543	12,844,404	12,490,287	54
TRANSMISSION PLANT	64,289,061	61,461,111	68,277,927	66,231,624	62,042,364	55
DISTRIBUTION PLANT	313,922,553	290,208,827	278,996,494	272,716,778	257,809,729	56
GENERAL PLANT	14,267,532	12,885,244	11,711,733	11,963,690	11,809,592	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	754,383	754,383	754,383	754,383	754,383	60
TOTAL GAS PLANT IN SERVICE	415,257,768	384,199,490	368,532,182	360,173,599	341,136,687	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	12,881,722	13,568,023	11,004,542	6,738,168	12,373,006	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	428,139,489	397,767,512	379,536,724	366,911,767	353,509,693	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	120,532,335	112,966,804	105,720,544	99,123,215	93,054,159	67
NET GAS UTILITY PLANT	$ 307,607,154	$ 284,801,708	$ 273,816,180	$ 269,788,552	$ 260,455,534	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 384,199,490	$ 368,532,182	$ 360,173,599	$ 341,136,687	$ 319,533,702	69
ADDITIONS	32,663,911	16,941,760	10,007,082	20,978,525	23,393,241	70
RETIREMENTS	1,605,633	1,274,462	1,655,729	2,066,829	1,665,040	71
TRANSFERS AND ADJUSTMENTS	-	-	7,230	126,216	125,216-	72
PLANT IN SERVICE END OF YEAR	$ 415,257,767	$ 384,199,489	$ 368,532,182	$ 360,173,599	$ 341,136,687	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

LONG ISLAND LIGHTING COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 372,849,072	$ 438,420,039	$ 483,835,248	$ 447,198,635	$ 389,684,297
2	SALES (MCF)	51,028,319	67,312,425	78,175,241	68,701,749	68,073,984
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 209,218,242	$ 282,086,599	$ 314,170,274	$ 303,098,225	$ 255,582,945
4	WAGES AND BENEFITS	39,989,463	21,848,387	38,380,470	38,000,989	36,406,880
5	OTHER OPERATION AND MAINTENANCE EXPENSES	21,566,184	17,706,284	33,679,883	20,454,304	18,569,718
6	DEPRECIATION AND AMORTIZATION EXPENSES	8,945,120	8,231,531	8,010,508	8,236,802	7,912,905
7	INCOME TAXES - OPERATING	10,236,979	20,645,785	14,996,142	9,064,758	9,933,257
8	OTHER TAXES - OPERATING	47,483,476	46,678,329	42,163,952	39,382,375	34,144,039
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	15,901,027	13,881,566	14,975,568	13,351,644	12,035,841
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	3,047,987 **	3,181,381 **	3,654,686 **	4,542,902	3,250,386
11	EARNINGS AVAILABLE FOR COMMON EQUITY	16,462,015	24,161,237	13,823,768	11,087,538	11,848,326
12	TOTAL	$ 372,849,072	$ 438,420,039	$ 483,835,248	$ 447,198,635	$ 389,684,297
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	56.1	64.3	64.9	67.8	65.6
14	WAGES AND BENEFITS	10.7	5.0	7.9	8.5	9.3
15	OTHER OPERATION AND MAINTENANCE EXPENSES	5.8	4.0	7.0	4.6	4.8
16	DEPRECIATION AND AMORTIZATION EXPENSES	2.4	1.9	1.7	1.8	2.0
17	INCOME TAXES - OPERATING	2.7	4.7	3.1	2.0	2.5
18	OTHER TAXES - OPERATING	12.7	10.6	8.7	8.8	8.8
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	4.3	3.2	3.1	3.0	3.1
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.8 **	0.7 **	0.8 **	1.0	0.8
21	EARNINGS AVAILABLE FOR COMMON EQUITY	4.4	5.5	2.9	2.5	3.0
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 4.10	$ 4.19	$ 4.12	$ 4.41	$ 3.75
24	WAGES AND BENEFITS	0.78	0.32	0.50	0.55	0.53
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.42	0.26	0.44	0.30	0.27
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.18	0.12	0.11	0.12	0.12
27	INCOME TAXES - OPERATING	0.20	0.31	0.20	0.13	0.15
28	OTHER TAXES - OPERATING	0.93	0.69	0.55	0.57	0.50
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.31	0.21	0.20	0.19	0.18
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.06 **	0.05 **	0.05	0.07	0.05
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.32	0.36	0.18	0.16	0.17
32	TOTAL	$ 7.31	$ 6.51	$ 6.35	$ 6.51	$ 5.72
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	3.98	3.93	4.26	4.79	5.42

** CALCULATION ASSUMES LONG ISLAND LIGHTING COMPANY'S PREFERRED DIVIDENDS ARE ACCRUED

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 614,583,460	$ 576,645,541	$ 534,207,351	$ 499,989,956	$ 471,275,724
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	132,003,630	125,260,770	115,971,128	107,359,590	101,745,589
3	NET GAS UTILITY PLANT	482,579,830	451,384,771	418,236,223	392,630,366	369,530,135
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	614,583,460	576,645,541	534,207,351	499,989,956	471,275,724
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	132,003,630	125,260,770	115,971,128	107,359,590	101,745,589
9	NET TOTAL UTILITY PLANT	482,579,830	451,384,771	418,236,223	392,630,366	369,530,135
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPRECIATION AND AMORTIZATION	83,225	83,225	83,225	83,225	79,741
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	-	-	-	-	-
13	OTHER INVESTMENTS	42,194	368,626	369,727	374,266	239,391
14	SPECIAL FUNDS	365,928	-	-	-	205,870
15	TOTAL OTHER PROPERTY AND INVESTMENTS	491,347	451,851	452,952	457,491	525,002
16	CASH	10,688,886	10,240,372	6,893,957	5,196,629	4,865,693
17	SPECIAL DEPOSITS	3,225,172	3,034,569	2,812,463	2,555,773	2,341,919
18	WORKING FUNDS	521,039	466,934	415,890	358,283	356,008
19	TEMPORARY CASH INVESTMENTS	-	-	380,549	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	56,324,143	73,543,416	73,505,487	82,472,216	82,343,991
21	RECEIVABLES FROM ASSOCIATED COMPANIES	822,091	927,474	645,931	1,017,672	295,482
22	MATERIALS AND SUPPLIES	6,992,214	8,087,526	9,045,993	10,521,232	11,112,753
23	GAS STORED UNDERGROUND-CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	9,213,050	7,018,171	7,014,424	6,559,548	6,723,617
26	OTHER CURRENT AND ACCRUED ASSETS	560,244	120,307	168,027	995,855	716,020
27	TOTAL CURRENT AND ACCRUED ASSETS	88,346,838	103,438,769	100,882,721	109,677,208	108,755,483
28	UNAMORTIZED DEBT EXPENSE	2,129,169	-	-	-	-
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL. SURVEY + INVESTIGATION CHARGES	49,907	35,692	6,208	-	-
31	CLEARING ACCOUNTS	395,337	186,265	9,967-	48,644-	51,762-
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	382,146	158,218	168,480	170,770	-
34	ACCUMULATED DEFERRED INCOME TAXES	189,026-	171,994-	105,604-	70,255-	12,727-
35	OTHER DEFERRED DEBITS	41,676,184	50,345,351	21,090,573	64,880,099	71,984,362
36	TOTAL DEFERRED DEBITS	44,443,717	50,553,532	21,149,690	64,931,970	71,919,873
37	TOTAL ASSETS AND OTHER DEBITS	$ 615,861,732	$ 605,828,923	$ 540,721,586	$ 567,697,035	$ 550,730,493
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 59,170,600	$ 59,170,600	$ 59,170,600	$ 59,170,600	$ 59,170,600
39	PREFERRED STOCK ISSUED	-	-	-	-	-
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	68,500	68,500	68,500	68,500	68,500
43	OTHER PAID-IN CAPITAL	4,107,184	4,107,184	4,107,184	4,107,184	4,107,184
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	-	-	-	-	-
46	RETAINED EARNINGS	121,609,340	117,891,651	113,607,327	101,846,981	92,751,084
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	184,955,624	181,237,935	176,953,611	165,193,265	156,097,368
50	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
51	ADVANCES FROM ASSOCIATED COMPANIES	182,506,800	143,900,700	151,323,300	176,704,100	142,799,500
52	OTHER LONG-TERM DEBT	674,641	685,968	700,000	-	-
53	NET UNAMORTIZED PREMIUM + DISCOUNT	-	-	-	-	-
54	TOTAL LONG TERM DEBT	183,181,441	144,586,668	152,023,300	176,704,100	142,799,500
55	NOTES PAYABLE	-	-	-	-	-
56	ACCOUNTS PAYABLE	7,688,238	4,518,372	4,990,548	7,205,656	6,233,710
57	PAYABLES TO ASSOCIATED COMPANIES	155,034,954	180,540,697	111,314,926	119,772,597	174,368,457
58	CUSTOMER DEPOSITS	2,836,592	2,637,298	2,383,305	2,153,808	1,757,998
59	TAXES ACCRUED	5,610,175-	15,605,067-	9,360,813-	9,849,025-	18,492,859-
60	INTEREST ACCRUED	123,676	113,883	103,578	100,107	88,363
61	DIVIDENDS DECLARED	4,320,000	4,662,500	3,531,000	2,715,000	2,525,000
62	TAX COLLECTIONS PAYABLE	3,390,424	3,608,342	2,963,696	3,270,795	2,805,070
63	OTHER CURRENT AND ACCRUED LIABILITIES	9,539,121	30,368,737	48,163,273	40,427,058	33,937,084
64	TOTAL CURRENT AND ACCRUED LIABILITIES	177,322,830	210,844,762	164,089,513	165,795,996	203,222,823
65	CUSTOMER ADVANCES FOR CONSTRUCTION	587,586	523,125	493,732	483,662	463,742
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	18,688,901	19,748,226	16,856,241	14,754,042	12,528,809
68	OTHER DEFERRED CREDITS	2,918,776	2,816,987	2,582,868	2,403,024	2,314,231
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	-	-	-	-	-
70	LIBERALIZED DEPRECIATION	30,358,955	25,146,983	20,206,504	15,876,893	12,485,539
71	OTHER	17,667,784	20,912,540	7,682,840	26,504,528	20,778,800
72	TOTAL DEFERRED CREDITS	70,221,962	69,147,861	47,821,185	60,022,149	48,571,121
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	30,800-	11,697	166,023-	18,475-	39,681
75	PENSION AND BENEFITS RESERVE	210,668	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	179,868	11,697	166,023-	18,475-	39,681
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 615,861,732	$ 605,828,923	$ 540,721,586	$ 567,697,035	$ 550,730,493

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO
	COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS					
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES $	792,837,128 $	873,526,109 $	947,231,883 $	973,860,193 $	928,256,807	1
OPERATION AND MAINTENANCE EXPENSE	663,353,228	746,235,059	814,051,381	856,508,212	823,479,502	2
DEPRECIATION EXPENSE	15,703,734	14,579,555	13,389,710	12,294,842	11,246,280	3
AMORTIZATION	198,983	301,222	531,333	511,771	1,015,898	4
TAXES OTHER THAN INCOME TAXES	58,562,250	60,046,612	63,004,767	61,640,516	57,094,859	5
INCOME TAXES	8,566,128	7,706,511-	27,740,459	4,037,755-	11,661,628-	6
PROVISION FOR DEFERRED INCOME TAXES	3,344,163	19,321,378	13,223,065-	10,424,432	25,877,204	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	- 469,102-	1,083,769-	1,234,663-	1,040,737-	11,075,652-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	209,085-	278,779-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	749,259,384	831,694,547	904,239,904	936,092,195	895,696,684	12
NET OPERATING REVENUES	43,577,744	41,831,562	42,991,979	37,767,998	32,560,123	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	43,577,744	41,831,562	42,991,979	37,767,998	32,560,123	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	43,577,744	41,831,562	42,991,979	37,767,998	32,560,123	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	82,102-	26,126-	52,001-	32,565-	126,057-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	2,978	9,220	6,000	6,256	900	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	1,127,490	362,238	2,609,312	1,924,406	1,521,819	22
ALLOWANCE FOR CONSTRUCTION FUNDS	494,164	567,621	395,702	490,693	582,863	23
MISCELLANEOUS NONOPERATING INCOME	-	-	-	902,891	-	24
GAIN ON DISPOSITION OF PROPERTY	13,184	-	15,719	14,990	115	25
TOTAL OTHER INCOME	1,555,714	912,953	2,974,732	3,306,671	1,979,640	26
TOTAL INCOME	45,133,458	42,744,515	45,966,711	41,074,669	34,539,763	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	27,453	28,760	99,822	44,558	46,560	28
INCOME TAXES-NONOPERATING	460,489-	792,185-	323,068	522,342	22,107	29
LOSS ON DISPOSITION OF PROPERTY	124,683	-	5,258	8,287	3,229	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	1,296,448	988,497	399,386	281,580	281,088	32
TOTAL INCOME DEDUCTIONS	988,095	225,072	827,534	856,767	354,984	33
INCOME BEFORE INTEREST CHARGES	44,145,363	42,519,443	45,139,177	40,217,902	34,184,779	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	-	-	-	-	-	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	26,952	-	-	-	-	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	20,298,476	18,356,228	16,663,071	17,793,987	15,947,261	38
OTHER INTEREST EXPENSE	1,637,246	3,491,891	3,952,259	3,038,019	3,753,676	39
TOTAL INTEREST CHARGES	21,962,674	21,848,119	20,615,330	20,832,006	19,700,937	40
INCOME BEFORE EXTRAORDINARY ITEMS	22,182,689	20,671,324	24,523,847	19,385,896	14,483,842	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME $	22,182,689 $	20,671,324 $	24,523,847 $	19,385,896 $	14,483,842	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	117,891,651 $	113,607,327 $	101,846,980 $	92,751,085 $	88,257,243	47
BALANCE TRANSFERRED FROM INCOME	22,182,689	20,671,324	24,523,847	19,385,896	14,483,841	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	50
-COMMON STOCK	18,465,000	16,387,000	12,763,500	10,290,000	9,990,000	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	121,609,340	117,891,651	113,607,327	101,846,981	92,751,084	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS END OF YEAR $	121,609,340 $	117,891,651 $	113,607,327 $	101,846,981 $	92,751,084	56
	SELECTED BALANCE SHEET RELATIONSHIPS					
CURRENT ASSETS / BY CURRENT LIABILITIES	0.50	0.49	0.61	0.66	0.54	57
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	49.7	44.3	46.2	51.6	47.7	58
PREFERRED STOCK	-	-	-	-	-	59
COMMON STOCK AND OTHER PAID-IN CAPITAL	17.2	19.4	19.2	18.5	21.1	60
RETAINED EARNINGS	33.0	36.1	34.5	29.7	31.0	61
LONG-TERM DEBT % OF GROSS UTILITY PLANT	29.6	25.0	28.4	35.3	30.3	62
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	21.4	21.7	21.7	21.4	21.5	63
	SELECTED INCOME ACCOUNT RELATIONSHIPS					
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	64
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	83.6	85.4	85.9	87.9	88.7	65
GAS DEPRECIATION AND AMORTIZATION	2.0	1.7	1.4	1.3	1.3	66
TOTAL INCOME TAXES-GAS, OPERATING	1.4	1.2	1.4	0.5	0.3	67
OTHER TAXES-GAS, OPERATING	7.3	6.8	6.6	6.3	6.1	68
TOTAL GAS OPERATING EXPENSE	94.5	95.2	95.4	96.1	96.4	69
GAS OPERATING INCOME	5.4	4.7	4.5	3.8	3.5	70
INTEREST EXPENSE						
PRETAX COVERAGE	2.5	2.4	2.8	2.2	1.9	71
NET INCOME-PERCENT OF OPERATING REVENUES	2.7	2.3	2.5	1.9	1.5	72
DIVIDEND APPROPRIATIONS, COMMON STOCK						
% OF EARNINGS AVAILABLE FOR COMMON	83.2	79.2	52.0	53.0	68.9	73
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	12.1	11.5	14.3	12.0	9.4	74

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

LINE NO.		1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 22,182,689	$ 20,671,324	$ 24,523,847	$ 19,385,896	$ 14,483,842
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	15,997,383	14,880,777	13,901,043	12,857,678	12,303,108
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	1,336,407	21,520,074	11,917,590-	11,698,111	17,239,226
4	INTEREST CAPITALIZED	494,164-	567,621-	395,702-	490,693-	582,863-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	39,022,315	56,504,554	26,111,598	43,450,992	43,443,313
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	39,022,315	56,504,554	26,111,598	43,450,992	43,443,313
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	18,465,000	16,387,000	12,763,500	10,290,000	9,990,000
12	NET FUNDS FROM INTERNAL SOURCES	20,557,315	40,117,554	13,348,098	33,160,992	33,453,313
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	100,000,000	-	700,000	50,000,000	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	2,225,000	61,200,000	12,100,000	-	70,500,000
17	OTHER (NET)	-	-	43,355,897	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	102,225,000	61,200,000	56,155,897	50,000,000	70,500,000
20	OTHER SOURCES (NET)	5,881,525	-	-	32,214,515	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 128,663,840	$ 101,317,554	$ 69,503,995	$ 115,375,507	$ 103,953,313
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	GAS PLANT	$ 47,097,776	$ 48,029,325	$ 39,506,899	$ 34,667,316	$ 29,592,841
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	-	3,484	-
27	OTHER	-	-	-	-	-
28	TOTAL GROSS ADDITIONS	47,097,776	48,029,325	39,506,899	34,670,800	29,592,841
29	LESS INTEREST CAPITALIZED	494,164	567,621	395,702	490,693	582,863
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	46,603,612	47,461,704	39,111,197	34,180,107	29,009,978
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	61,405,227	7,436,632	25,380,800	16,095,400	5,595,400
32	PREFERRED STOCK	-	-	-	-	-
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	-	-	65,100,000	-
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	61,405,227	7,436,632	25,380,800	81,195,400	5,595,400
38	OTHER USES (NET)	20,655,001	46,419,218	5,011,998	-	69,347,935
39						
40						
41	TOTAL FUNDS APPLIED	$ 128,663,840	$ 101,317,554	$ 69,503,995	$ 115,375,507	$ 103,953,313

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO
			GAS OPERATING REVENUES			
REVENUES						
RESIDENTIAL	$ 507,339,363	$ 524,894,973	$ 566,633,329	$ 551,772,203	$ 505,736,111	1
COMMERCIAL AND INDUSTRIAL	273,358,346	338,723,913	371,777,899	415,229,447	418,182,855	2
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	780,697,709	863,618,886	937,411,228	967,001,660	923,918,966	5
RESALE	-	-	54,833	198,992-	380,647	6
TOTAL REVENUES FROM SALES OF GAS	780,697,709	863,618,886	937,466,061	966,802,668	924,299,613	7
OTHER GAS OPERATING REVENUES	12,139,419	9,907,223	9,765,822	7,057,535	3,957,194	8
TOTAL GAS OPERATING REVENUES	$ 792,837,128	$ 873,526,109	$ 947,231,883	$ 973,860,193	$ 928,256,807	9
GAS SALES (MCF)						
RESIDENTIAL	85,867,573	83,210,656	88,628,403	82,591,818	92,991,111	10
COMMERCIAL AND INDUSTRIAL	53,932,350	62,190,538	67,372,860	70,252,821	85,292,691	11
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	139,799,923	145,401,194	156,001,263	152,844,639	178,283,802	14
RESALE	-	-	-	1,419	241,242	15
TOTAL GAS SALES	139,799,923	145,401,194	156,001,263	152,846,058	178,525,044	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	651,218	648,840	646,304	641,739	642,880	17
COMMERCIAL AND INDUSTRIAL	41,906	41,106	40,388	39,899	40,069	18
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	693,124	689,946	686,692	681,638	682,949	21
RESALE	-	-	-	1	2	22
TOTAL CUSTOMERS	693,124	689,946	686,692	681,639	682,951	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 779.06	$ 808.97	$ 875.18	$ 859.81	$ 786.67	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	132	128	137	129	145	25
AVERAGE REVENUE PER MCF SOLD	$ 5.91	$ 6.31	$ 6.39	$ 6.68	$ 5.44	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 6,523.13	$ 8,240.25	$ 9,205.16	$ 10,407.01	$ 10,436.57	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	1,287	1,513	1,668	1,761	2,129	28
AVERAGE REVENUE PER MCF SOLD	$ 5.07	$ 5.45	$ 5.52	$ 5.91	$ 4.90	29
			GAS OPERATION AND MAINTENANCE EXPENSES			
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	-	-	-	-	-	31
NATURAL GAS						
PRODUCTION AND GATHERING	417,635	714,111	663,530	402,660	580,169	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	540,895,006	627,619,050	693,918,008	742,166,657	707,499,304	35
OTHER	840,629	521,262	381,760	461,952	456,392	36
TOTAL PRODUCTION EXPENSE	542,153,270	628,854,423	694,963,298	743,030,269	708,535,865	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	672,933	782,926	758,318	683,772	621,262	41
DISTRIBUTION EXPENSES	45,311,854	43,581,497	43,045,915	39,764,169	44,174,095	42
CUSTOMER ACCOUNTS EXPENSES	34,500,878	32,577,347	30,925,525	33,455,619	31,382,538	43
SALES EXPENSES	6,483,081	6,027,184	5,452,613	3,691,636	3,650,436	44
ADMINISTRATIVE AND GENERAL EXPENSES	34,226,212	34,411,682	38,905,692	35,882,747	35,115,306	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 663,353,228	$ 746,235,059	$ 814,051,361	$ 856,508,212	$ 823,479,502	46
			GAS UTILITY PLANT*			
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 318,881	$ 318,881	$ 318,881	$ 318,881	$ 318,881	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	-	-	-	-	-	50
NATURAL GAS PLANT	18,280,298	18,160,965	18,354,318	18,946,143	19,530,523	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	24,993,665	25,735,258	24,276,631	25,878,506	26,382,390	55
DISTRIBUTION PLANT	528,854,697	495,294,718	459,369,036	423,680,651	396,065,847	56
GENERAL PLANT	34,560,598	31,646,323	26,534,706	24,066,408	23,282,402	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	607,008,129	571,156,145	528,843,572	492,890,589	465,580,043	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	7,575,331	5,489,396	5,363,779	7,099,367	5,695,681	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	614,583,460	576,645,541	534,207,351	499,989,956	471,275,724	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	132,003,630	125,260,770	115,971,128	107,359,590	101,745,589	67
NET GAS UTILITY PLANT	$ 482,579,830	$ 451,384,771	$ 418,236,223	$ 392,630,366	$ 369,530,135	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 571,156,145	$ 528,843,572	$ 492,890,589	$ 465,580,043	$ 441,528,519	69
ADDITIONS	32,539,435	41,881,237	35,895,607	29,872,871	28,068,283	70
RETIREMENTS	6,855,464	3,888,431	4,606,409	5,934,040	5,218,558	71
TRANSFERS AND ADJUSTMENTS	10,168,013	4,319,767	4,663,785	3,371,715	1,211,799	72
PLANT IN SERVICE END OF YEAR	$ 607,008,129	$ 571,156,145	$ 528,843,572	$ 492,890,589	$ 465,580,043	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

NATIONAL FUEL GAS DISTRIBUTION CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 792,837,128	$ 873,526,109	$ 947,231,883	$ 973,860,193	$ 928,256,807
2	SALES (MCF)	139,799,923	145,401,194	156,001,263	152,846,068	178,525,044
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 541,735,635	$ 628,140,312	$ 694,299,768	$ 742,027,609	$ 707,955,696
4	WAGES AND BENEFITS	70,842,514	74,522,596	79,441,563	73,554,703	73,714,822
5	OTHER OPERATION AND MAINTENANCE EXPENSES	50,775,079	43,572,162	40,310,030	40,325,900	41,808,984
6	DEPRECIATION AND AMORTIZATION EXPENSES	15,902,717	14,880,777	13,901,043	12,806,613	12,261,178
7	INCOME TAXES - OPERATING	11,441,189	10,532,099	13,282,732	5,136,864	2,861,144
8	OTHER TAXES - OPERATING	58,562,250	60,046,612	63,004,767	61,640,516	57,094,859
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	21,762,649	21,567,330	20,397,881	20,615,993	19,372,838
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	21,825,095	20,264,232	22,594,098	17,152,005	13,187,285
12	TOTAL	$ 792,837,128	$ 873,526,109	$ 947,231,883	$ 973,860,193	$ 928,256,807
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	68.3	71.9	73.3	76.3	76.3
14	WAGES AND BENEFITS	8.9	8.5	8.4	7.6	7.9
15	OTHER OPERATION AND MAINTENANCE EXPENSES	6.4	5.0	4.3	4.1	4.5
16	DEPRECIATION AND AMORTIZATION EXPENSES	2.0	1.7	1.5	1.3	1.3
17	INCOME TAXES - OPERATING	1.4	1.2	1.4	0.5	0.3
18	OTHER TAXES - OPERATING	7.4	6.9	6.7	6.3	6.2
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	2.7	2.5	2.2	2.1	2.1
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	2.8	2.3	2.4	1.8	1.4
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.88	$ 4.32	$ 4.45	$ 4.86	$ 3.97
24	WAGES AND BENEFITS	0.51	0.51	0.51	0.48	0.41
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.36	0.30	0.26	0.26	0.23
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.11	0.10	0.09	0.08	0.07
27	INCOME TAXES - OPERATING	0.08	0.07	0.09	0.03	0.02
28	OTHER TAXES - OPERATING	0.42	0.41	0.40	0.40	0.32
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.16	0.15	0.13	0.13	0.11
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.16	0.14	0.14	0.11	0.07
32	TOTAL	$ 5.67	$ 6.01	$ 6.07	$ 6.37	$ 5.20

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 164,426,275	$ 154,674,906	$ 147,119,521	$ 142,072,202	$ 137,788,503
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	54,340,141	51,157,411	48,081,728	44,772,775	41,785,242
3	NET GAS UTILITY PLANT	110,086,134	103,517,495	99,037,793	97,299,427	96,003,261
4	OTHER UTILITY PLANT	4,305,958,095	3,997,970,855	3,723,689,560	3,299,514,887	2,795,459,668
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	716,401,559	637,128,236	569,826,542	518,345,283	484,685,691
6	NET OTHER UTILITY PLANT	3,589,556,536	3,360,842,619	3,153,863,018	2,781,169,604	2,310,773,977
7	TOTAL UTILITY PLANT	4,470,384,370	4,152,645,761	3,870,809,081	3,441,587,089	2,933,248,171
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	770,741,700	688,285,647	617,908,270	563,118,058	526,470,933
9	NET TOTAL UTILITY PLANT	3,699,642,670	3,464,360,114	3,252,900,811	2,878,469,031	2,406,777,238
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPRECIATION AND AMORTIZATION	3,158,853	3,111,851	3,122,221	3,531,070	3,508,710
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	212,000	212,000	212,000	212,000	212,000
13	OTHER INVESTMENTS	7,790,000	7,790,000	13,890,000	14,140,000	15,590,000
14	SPECIAL FUNDS	283,818	264,502	272,814	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	11,444,671	11,378,353	17,497,035	17,883,070	19,310,710
16	CASH	5,997,464-	5,999,167-	6,892,778-	4,185,394	5,513,576
17	SPECIAL DEPOSITS	4,822,817	13,598,507	70,192,118	10,245,654	32,721,930
18	WORKING FUNDS	1,556,894	5,020,153	809,342	1,841,077	2,099,797
19	TEMPORARY CASH INVESTMENTS	14,600,000	8,500,000	10,300,000	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	125,461,521	116,240,072	114,588,322	93,697,392	89,099,941
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	110,786	71,872	63,817	-
22	MATERIALS AND SUPPLIES	64,845	95,768,725	98,758,149	66,904,705	64,019,122
23	GAS STORED UNDERGROUND-CURRENT	92,607,357	826,126	899,970	609,106	1,042,187
24	LIQUEFIED NATURAL GAS IN STORAGE	751,535	-	-	-	-
25	PREPAYMENTS	27,329,912	20,189,966	20,033,847	17,080,955	13,004,185
26	OTHER CURRENT AND ACCRUED ASSETS	608,939	293,126	2,034,545	234,915	1,805,253
27	TOTAL CURRENT AND ACCRUED ASSETS	261,806,356	254,548,294	310,795,387	194,843,015	209,305,991
28	UNAMORTIZED DEBT EXPENSE	64,762,184	60,525,660	26,012,922	22,748,892	12,792,298
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL. SURVEY + INVESTIGATION CHARGES	3,127,972	1,324,486	2,267,221	2,970,726	3,187,773
31	CLEARING ACCOUNTS	127,331-	38,245-	505,507-	799,609	29,250
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	431,679	183,890-	27,393	383,833-	531,444-
34	ACCUMULATED DEFERRED INCOME TAXES	19,010,984	15,200,967	22,066,677	10,082,060	12,790,385
35	OTHER DEFERRED DEBITS	106,866,434	109,255,294	40,886,294	15,302,676	38,698,200
36	TOTAL DEFERRED DEBITS	194,071,922	186,084,262	90,755,000	51,520,130	66,966,462
37	TOTAL ASSETS AND OTHER DEBITS	$ 4,166,965,619	$ 3,916,371,023	$ 3,671,948,233	$ 3,142,715,246	$ 2,702,360,401
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 360,408,069	$ 360,046,582	$ 347,182,736	$ 323,344,778	$ 264,592,369
39	PREFERRED STOCK ISSUED	217,970,000	252,620,000	277,300,000	278,960,000	236,075,000
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	481,803,192	480,349,216	447,719,373	406,471,565	283,850,783
43	OTHER PAID-IN CAPITAL	29,317,079	29,346,985	29,469,981	29,480,279	29,419,747
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	7,756,111-	8,173,925-	8,283,296-	8,165,963-	6,722,744-
46	RETAINED EARNINGS	534,190,118	469,661,779	418,472,383	352,524,176	317,454,842
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	1,615,932,347	1,583,850,637	1,511,861,177	1,382,604,835	1,124,669,997
50	BONDS (LESS BONDS REACQUIRED)	1,434,912,000	1,274,480,000	1,236,134,000	1,060,940,000	965,061,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	483,194,722	481,741,631	404,902,154	222,125,000	126,575,000
53	NET UNAMORTIZED PREMIUM + DISCOUNT	2,499,583-	1,615,196-	1,952,077-	983,744-	497,454-
54	TOTAL LONG TERM DEBT	1,915,607,139	1,754,606,435	1,639,084,077	1,282,081,256	1,091,138,546
55	NOTES PAYABLE	110,600,000	118,300,000	60,100,000	97,750,000	96,650,000
56	ACCOUNTS PAYABLE	61,422,103	75,651,462	104,286,625	131,925,074	152,053,763
57	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
58	CUSTOMER DEPOSITS	3,534,337	3,339,953	2,846,878	2,478,420	2,346,693
59	TAXES ACCRUED	14,619,413	5,045,133	9,655,766	6,061,953	12,045,918
60	INTEREST ACCRUED	54,878,027	51,949,517	53,418,781	34,989,042	32,550,646
61	DIVIDENDS DECLARED	4,516,359	6,090,191	6,616,190	6,752,066	5,528,909
62	TAX COLLECTIONS PAYABLE	3,955,316	1,909,114	2,669,602	2,200,247	1,951,073
63	OTHER CURRENT AND ACCRUED LIABILITIES	42,646,225	43,357,953	40,811,318	35,126,449	41,111,680
64	TOTAL CURRENT AND ACCRUED LIABILITIES	296,171,780	305,643,323	280,605,160	317,283,251	344,238,682
65	CUSTOMER ADVANCES FOR CONSTRUCTION	5,272,100	5,169,600	4,444,024	1,097,231	1,030,956
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	106,435,942	75,438,060	73,711,247	51,023,498	42,180,793
68	OTHER DEFERRED CREDITS	13,834,849	16,250,546	34,931,067	12,698,774	14,359,175
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	1,654,454	2,129,858	2,662,417	3,264,821	3,989,751
70	LIBERALIZED DEPRECIATION	151,755,947	112,908,540	71,494,811	43,527,821	31,001,247
71	OTHER	60,101,261	60,174,024	52,954,253	48,933,759	49,551,254
72	TOTAL DEFERRED CREDITS	339,054,353	272,070,628	240,197,819	160,545,904	142,113,176
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	200,000	200,000	200,000	200,000	200,000
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	200,000	200,000	200,000	200,000	200,000
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 4,166,965,619	$ 3,916,371,023	$ 3,671,948,233	$ 3,142,715,246	$ 2,702,360,401

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

NEW YORK STATE ELECTRIC & GAS CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 179,194,452	$ 190,201,164	$ 207,817,466	$ 207,865,521	$ 184,997,414	1
OPERATION AND MAINTENANCE EXPENSE	138,452,201	155,757,588	171,057,786	183,649,621	155,483,338	2
DEPRECIATION EXPENSE	3,874,568	3,815,593	4,114,668	3,943,557	3,619,176	3
AMORTIZATION	117,747	106,564	159,719	179,462	339,799	4
TAXES OTHER THAN INCOME TAXES	15,947,641	15,606,273	16,286,353	15,483,526	13,961,798	5
INCOME TAXES	547,779	66,918	311,932-	842,109	384,461	6
PROVISION FOR DEFERRED INCOME TAXES	1,820,472	1,739,634	239,236-	1,445,938-	4,893,250	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	1,032,600-	1,215,437	1,050,959-	614,843-	1,806,000-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	159,727,808	178,308,008	190,016,399	202,037,494	176,876,822	12
NET OPERATING REVENUES	19,466,644	11,893,156	17,801,067	5,828,027	8,120,592	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	19,466,644	11,893,156	17,801,067	5,828,027	8,120,592	15
OTHER UTILITY OPERATING INCOME	264,021,394	235,107,103	212,856,468	168,117,786	168,380,179	16
TOTAL UTILITY OPERATING INCOME	283,488,038	247,000,259	230,657,535	173,945,813	176,500,771	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	12,724-	20,351-	35,980-	20,040-	56,844-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	386,567	652,603	2,827,000	2,097,082	8,277,873	22
ALLOWANCE FOR CONSTRUCTION FUNDS	111,871,903	122,719,138	104,263,980	91,641,259	54,465,618	23
MISCELLANEOUS NONOPERATING INCOME	2,392,258-	731,889-	22,408,631	426,638-	4,458,757	24
GAIN ON DISPOSITION OF PROPERTY	502,710	105,201	19,509	17,168	14,951	25
TOTAL OTHER INCOME	110,356,198	122,724,702	129,483,140	93,308,831	67,160,355	26
TOTAL INCOME	393,844,236	369,724,961	360,140,675	267,254,644	243,661,126	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	128,978	130,728	132,812	130,391	118,284	28
INCOME TAXES-NONOPERATING	32,361,687-	25,596,203-	33,249,000-	26,866,000-	11,446,000-	29
LOSS ON DISPOSITION OF PROPERTY	19,793	73,717	15,509	25,131	-	30
MISCELLANEOUS AMORTIZATION	5,838	1,541	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	1,695,684	165,762-	11,494,586	749,039	628,311	32
TOTAL INCOME DEDUCTIONS	30,511,494-	25,555,979-	21,606,093-	25,961,439-	10,699,405-	33
INCOME BEFORE INTEREST CHARGES	424,355,730	395,280,940	381,746,768	293,216,083	254,360,531	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	183,841,960	174,584,406	158,720,760	129,651,585	101,959,842	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	4,044,126	2,811,458	2,816,707	1,983,164	1,350,797	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	55,998-	61,598-	68,375-	76,331-	76,381-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	8,031,965	9,513,509	8,901,582	4,977,605	6,031,211	39
TOTAL INTEREST CHARGES	195,862,053	186,847,775	170,370,674	136,536,023	109,265,469	40
INCOME BEFORE EXTRAORDINARY ITEMS	228,493,677	208,433,165	211,376,094	156,680,060	145,095,062	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 228,493,677	$ 208,433,165	$ 211,376,094	$ 156,680,060	$ 145,095,062	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 469,661,779	$ 418,472,383	$ 352,524,176	$ 317,464,842	$ 270,464,490	47
BALANCE TRANSFERRED FROM INCOME	228,493,677	208,433,165	211,376,094	156,680,060	145,095,062	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	20,103,911	25,225,720	27,370,512	23,466,059	22,610,168	50
-COMMON STOCK	140,432,734	132,018,049	118,057,375	98,154,667	75,484,542	51
ADJUSTMENTS TO RETAINED EARNINGS	3,428,693-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	534,190,118	469,661,779	418,472,383	352,524,176	317,464,842	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 534,190,118	$ 469,661,779	$ 418,472,383	$ 352,524,176	$ 317,464,842	56
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	0.88	0.83	1.11	0.61	0.61	57
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	54.2	52.3	52.0	48.1	49.2	58
PREFERRED STOCK	6.1	7.5	8.8	10.4	10.6	59
COMMON STOCK AND OTHER PAID-IN CAPITAL	24.4	25.8	25.8	28.1	25.7	60
RETAINED EARNINGS	15.1	14.0	13.2	13.2	14.3	61
LONG-TERM DEBT % OF GROSS UTILITY PLANT	42.8	42.2	42.3	37.2	37.1	62
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	17.2	15.5	15.9	16.3	17.9	63
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	14.0	15.3	18.4	20.9	19.3	64
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	77.2	81.8	82.3	88.3	84.0	65
GAS DEPRECIATION AND AMORTIZATION	2.2	2.0	2.0	1.9	2.1	66
TOTAL INCOME TAXES-GAS, OPERATING	0.7	1.5	0.6-	0.4-	1.8	67
OTHER TAXES-GAS, OPERATING	8.8	8.2	7.8	7.4	7.5	68
TOTAL GAS OPERATING EXPENSE	89.1	93.7	91.4	97.1	95.6	69
GAS OPERATING INCOME	10.8	6.2	8.5	2.8	4.3	70
INTEREST EXPENSE						
PRETAX COVERAGE	2.6	2.4	2.5	2.4	2.7	71
NET INCOME-PERCENT OF OPERATING REVENUES	17.8	16.7	18.7	15.7	15.2	72
DIVIDEND APPROPRIATIONS,COMMON STOCK % OF EARNINGS AVAILABLE FOR COMMON	67.3	72.0	64.1	73.6	61.6	73
PERCENT OF AVERAGE COMMON EQUITY EARNINGS AVAILABLE FOR COMMON STOCK	15.2	14.2	15.7	13.3	15.2	74

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

LINE NO		1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 228,493,677	$ 208,433,165	$ 211,376,094	$ 156,680,060	$ 145,095,062
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	123,719,744	119,430,354	76,856,339	70,133,001	59,887,950
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	98,609,243	93,070,230	75,762,859	34,525,323	34,431,607
4	INTEREST CAPITALIZED	102,003,462-	82,534,289-	104,263,980-	91,641,259-	54,465,618-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	348,819,202	338,399,460	259,731,312	169,697,125	184,949,001
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	348,819,202	338,399,460	259,731,312	169,697,125	184,949,001
10	LESS DIVIDENDS: PREFERRED	20,103,911	25,225,720	27,370,512	23,466,059	22,610,168
11	COMMON	140,432,734	132,018,049	118,057,375	98,154,667	75,484,542
12	NET FUNDS FROM INTERNAL SOURCES	188,282,557	181,155,691	114,303,425	48,076,399	86,854,291
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	275,000,000	408,000,000	374,000,000	164,350,000	336,000,000
14	PREFERRED STOCK	-	-	-	45,000,000	-
15	COMMON STOCK	1,815,461	45,493,854	65,085,766	181,375,755	119,186,035
16	NET INCREASE IN SHORT TERM DEBT	-	58,200,000	-	33,750,000	61,650,000
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	276,815,461	511,693,854	439,085,766	424,475,755	516,836,035
20	OTHER SOURCES (NET)	-	23,085,256	-	4,048,390	36,745,108
21						
22						
23	TOTAL FUNDS PROVIDED	$ 465,098,018	$ 715,934,801	$ 553,389,191	$ 476,600,544	$ 640,435,434
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	GAS PLANT	$ 10,689,163	$ 8,453,214	$ 5,937,222	$ 5,269,574	$ 5,803,870
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	-	-	-
27	OTHER	327,823,149	329,281,842	440,549,540	523,104,705	553,354,841
28	TOTAL GROSS ADDITIONS	338,512,312	337,735,056	446,486,762	528,374,279	559,158,711
29	LESS INTEREST CAPITALIZED	102,003,462	82,534,289	104,263,980	91,641,259	54,465,618
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	236,508,850	255,200,767	342,222,782	436,733,020	504,693,093
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	114,568,000	300,754,000	25,056,000	5,571,000	107,086,000
32	PREFERRED STOCK	34,650,000	24,680,000	1,650,000	2,125,000	10,737,500
33	REDEMPTION OF CAPITAL STOCK	3,428,693	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	7,700,000	-	37,650,000	-	-
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	160,346,693	325,434,000	64,356,000	7,696,000	117,823,500
38	OTHER USES (NET)	68,242,475	135,300,034	146,810,409	32,171,524	17,918,841
39						
40						
41	TOTAL FUNDS APPLIED	$ 465,098,018	$ 715,934,801	$ 553,389,191	$ 476,600,544	$ 640,435,434

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO.
		GAS OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 91,067,812	$ 88,676,514	$ 92,287,506	$ 92,973,496	$ 83,167,007	1
COMMERCIAL AND INDUSTRIAL	67,133,042	80,684,256	94,497,188	95,005,650	82,311,824	2
OTHER SALES TO PUBLIC AUTHORITIES	17,578,596	18,610,523	19,840,170	19,257,488	15,835,129	3
INTERDEPARTMENTAL	190,117	178,717	197,920	195,215	193,629	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	175,969,565	188,150,010	206,822,783	207,431,849	181,507,589	5
RESALE	14,078	19,822	19,495	14,662	1,746,951	6
TOTAL REVENUES FROM SALES OF GAS	175,983,643	188,169,832	206,842,278	207,446,511	183,254,540	7
OTHER GAS OPERATING REVENUES	3,210,809	2,031,332	975,188	419,010	1,742,874	8
TOTAL GAS OPERATING REVENUES	$ 179,194,452	$ 190,201,164	$ 207,817,466	$ 207,865,521	$ 184,997,414	9
GAS SALES (MCF)						
RESIDENTIAL	13,777,646	13,310,660	13,766,377	13,508,029	15,284,522	10
COMMERCIAL AND INDUSTRIAL	12,162,989	14,803,937	17,146,104	16,637,999	17,676,042	11
OTHER SALES TO PUBLIC AUTHORITIES	3,248,897	3,418,478	3,558,956	3,342,923	3,435,120	12
INTERDEPARTMENTAL	33,165	31,224	33,693	32,587	41,394	13
TOTAL SALES TO ULTIMATE CONSUMERS	29,222,697	31,564,299	34,505,130	33,521,538	36,437,078	14
RESALE	2,478	3,506	3,418	2,547	529,330	15
TOTAL GAS SALES	29,225,175	31,567,805	34,508,548	33,524,085	36,966,408	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	113,394	112,262	111,761	111,558	112,137	17
COMMERCIAL AND INDUSTRIAL	17,932	17,760	17,602	17,110	16,183	18
OTHER SALES TO PUBLIC AUTHORITIES	1,172	1,159	1,136	1,136	1,134	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	132,498	131,181	130,499	129,804	129,454	21
RESALE	1	1	1	1	1	22
TOTAL CUSTOMERS	132,499	131,182	130,500	129,805	129,455	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 803.11	$ 789.91	$ 825.76	$ 833.41	$ 741.66	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	122	119	123	121	136	25
AVERAGE REVENUE PER MCF SOLD	$ 6.61	$ 6.66	$ 6.70	$ 6.88	$ 5.44	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 3,743.76	$ 4,543.03	$ 5,368.55	$ 5,552.64	$ 5,086.31	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	678	834	974	972	1,092	28
AVERAGE REVENUE PER MCF SOLD	$ 5.52	$ 5.45	$ 5.51	$ 5.71	$ 4.66	29
		GAS OPERATION AND MAINTENANCE EXPENSES				
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	97,705	148,258	74,145	81,816	204,589	31
NATURAL GAS						
PRODUCTION AND GATHERING	13,204	13,369	37,766	22,155	23,230	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	111,071,994	129,730,874	146,337,135	159,977,411	132,739,215	35
OTHER	355,309	376,145	48,489-	846,452	243,226-	36
TOTAL PRODUCTION EXPENSE	111,538,212	130,268,646	146,400,557	160,927,834	132,723,808	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	504,904	389,282	496,603	370,820	332,834	41
DISTRIBUTION EXPENSES	10,507,779	9,835,610	9,154,520	8,537,440	8,877,373	42
CUSTOMER ACCOUNTS EXPENSES	4,094,247	3,983,007	4,065,991	3,791,976	3,956,910	43
SALES EXPENSES	2,230,066	1,781,534	1,581,998	1,330,367	1,142,968	44
ADMINISTRATIVE AND GENERAL EXPENSES	9,576,994	9,499,509	9,368,117	8,691,184	8,449,445	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 138,452,201	$ 155,757,588	$ 171,067,786	$ 183,649,621	$ 155,483,338	46
		GAS UTILITY PLANT*				
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 37,908	$ 37,908	$ 37,908	$ 37,908	$ 37,908	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	3,072,329	3,066,968	3,053,710	3,045,323	3,051,322	50
NATURAL GAS PLANT	1,435,995	1,435,995	1,435,995	1,435,995	1,435,995	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	5,870,636	5,503,157	5,318,812	5,153,554	5,129,747	55
DISTRIBUTION PLANT	148,569,173	141,475,234	134,223,192	129,782,228	124,435,783	56
GENERAL PLANT	1,752,024	1,720,059	1,691,342	1,717,778	1,871,140	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	160,738,065	153,239,321	145,760,959	141,172,786	135,961,895	61
PLANT LEASED TO OTHERS	23,619	-	-	-	-	62
PLANT HELD FOR FUTURE USE	3,664,591	23,619	20,284	20,284	17,455	63
CONSTRUCTION WORK IN PROGRESS	-	1,411,966	1,338,278	879,132	1,809,153	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	164,426,275	154,674,906	147,119,521	142,072,202	137,788,503	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	54,340,141	51,157,411	48,081,728	44,772,775	41,785,242	67
NET GAS UTILITY PLANT	$ 110,086,134	$ 103,517,495	$ 99,037,793	$ 97,299,427	$ 96,003,261	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 153,239,321	$ 145,760,959	$ 141,172,786	$ 135,961,895	$ 129,476,868	69
ADDITIONS	7,944,535	7,955,806	5,153,983	6,030,823	7,240,621	70
RETIREMENTS	450,825	478,943	573,695	808,037	763,900	71
TRANSFERS AND ADJUSTMENTS	5,034	1,499	7,885	11,895-	8,306	72
PLANT IN SERVICE END OF YEAR	$ 160,738,065	$ 153,239,321	$ 145,760,959	$ 141,172,786	$ 135,961,895	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

NEW YORK STATE ELECTRIC & GAS CORPORATION

LINE NO	ITEM		1986		1985		1984		1983		1982
1	REVENUES	$	179,194,452	$	190,201,164	$	207,817,466	$	207,865,521	$	184,997,414
2	SALES (MCF)		29,226,176		31,567,805		34,508,548		33,524,085		36,966,408
							DOLLAR AMOUNTS				
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$	111,427,303	$	130,107,019	$	146,288,647	$	160,823,863	$	132,495,989
4	WAGES AND BENEFITS		3,704,288		16,139,681		15,928,514		14,940,257		14,431,021
5	OTHER OPERATION AND MAINTENANCE EXPENSES		23,320,610		9,510,888		8,840,625		7,885,501		8,556,328
6	DEPRECIATION AND AMORTIZATION EXPENSES		3,992,315		3,922,157		4,274,387		4,123,019		3,958,975
7	INCOME TAXES - OPERATING		1,335,651		3,021,989		1,612,127-		1,218,672-		3,472,711
8	OTHER TAXES - OPERATING		15,947,641		15,606,273		16,296,353		15,483,526		13,961,798
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS		5,602,482		5,570,634		5,875,988		5,685,840		6,379,640
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		749,303		763,244		843,978		802,227		912,805
11	EARNINGS AVAILABLE FOR COMMON EQUITY		13,114,859		5,559,278		11,081,101		660,040-		828,147
12	TOTAL	$	179,194,452	$	190,201,164	$	207,817,466	$	207,865,521	$	184,997,414
							PERCENT OF REVENUES				
13	PURCHASED GAS & OTHER SUPPLY EXPENSE		62.2		68.4		70.4		77.4		71.6
14	WAGES AND BENEFITS		2.1		8.5		7.7		7.2		7.8
15	OTHER OPERATION AND MAINTENANCE EXPENSES		13.0		5.0		4.3		3.8		4.6
16	DEPRECIATION AND AMORTIZATION EXPENSES		2.2		2.1		2.1		2.0		2.1
17	INCOME TAXES - OPERATING		0.7		1.6		0.7-		0.5-		1.9
18	OTHER TAXES - OPERATING		8.9		8.2		7.8		7.4		7.5
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS		3.1		2.9		2.8		2.7		3.4
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		0.4		0.4		0.4		0.4		0.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY		7.3		2.9		5.3		0.2-		0.4
22	TOTAL		100.0		100.0		100.0		100.0		100.0
							DOLLARS PER MCF				
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$	3.81	$	4.12	$	4.24	$	4.80	$	3.58
24	WAGES AND BENEFITS		0.13		0.51		0.46		0.45		0.39
25	OTHER OPERATION AND MAINTENANCE EXPENSES		0.80		0.30		0.26		0.24		0.23
26	DEPRECIATION AND AMORTIZATION EXPENSES		0.14		0.12		0.12		0.12		0.11
27	INCOME TAXES - OPERATING		0.05		0.10		0.04-		0.03-		0.09
28	OTHER TAXES - OPERATING		0.55		0.49		0.47		0.46		0.38
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS		0.19		0.18		0.17		0.17		0.17
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		0.03		0.02		0.02		0.02		0.02
31	EARNINGS AVAILABLE FOR COMMON EQUITY		0.45		0.18		0.32		0.01-		0.02
32	TOTAL	$	6.13	$	6.03	$	6.02	$	6.20	$	5.00
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS		3.02		3.04		3.09		3.42		4.05

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

LINE NO.	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 558,531,495	$ 526,649,575	$ 503,464,401	$ 481,075,380	$ 458,315,314
2	ACCUM. PROVISION FOR DEPR. AND AMORT	148,854,486	138,753,482	130,695,873	121,899,825	115,033,556
3	NET GAS UTILITY PLANT	409,677,009	387,896,093	372,768,528	359,175,555	343,281,758
4	OTHER UTILITY PLANT	7,850,880,682	7,079,682,911	6,368,099,175	5,634,584,256	5,017,547,926
5	ACCUM. PROVISION FOR DEPR. AND AMORT	1,601,907,129	1,478,894,419	1,358,830,831	1,395,887,569	1,305,639,604
6	NET OTHER UTILITY PLANT	6,248,973,553	5,600,788,492	5,009,268,344	4,238,696,687	3,711,908,322
7	TOTAL UTILITY PLANT	8,409,412,177	7,606,332,486	6,871,563,576	6,115,659,636	5,475,863,240
8	ACCUM. PROVISION FOR DEPR. AND AMORT	1,750,761,615	1,617,647,901	1,489,526,704	1,517,787,394	1,420,673,160
9	NET TOTAL UTILITY PLANT	6,658,650,562	5,988,684,585	5,382,036,872	4,597,872,242	4,055,190,080
10	NONUTILITY PROPERTY LESS ACCUM. PROV FOR DEPRECIATION AND AMORTIZATION	17,730,161	18,643,249	18,347,886	18,719,395	19,667,800
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	330,904	413,763	356,832
12	INVESTMENT IN SUBSIDIARY COMPANIES	70,203,915	75,604,561	72,464,080	59,057,390	50,487,178
13	OTHER INVESTMENTS	3,989,400	232,262,189	128,532,635	32,345	80,573
14	SPECIAL FUNDS	2,238,336	79,916,312	50,402,625	29,769,088	13,421,793
15	TOTAL OTHER PROPERTY AND INVESTMENTS	94,161,812	406,426,311	270,078,130	107,991,981	84,014,176
16	CASH	88,708,497	16,702,160	21,879,023	21,949,845	10,592,784
17	SPECIAL DEPOSITS	485,682	151,619	150,843	89,148	624,485
18	WORKING FUNDS	3,158,510	23,686,821	1,736,980	6,971,099	6,422,159
19	TEMPORARY CASH INVESTMENTS	78,388,800	246,817	5,271,660	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	281,495,348	279,612,609	275,129,430	273,843,434	229,204,072
21	RECEIVABLES FROM ASSOCIATED COMPANIES	6,950,469	329,730	287,743	228,666	499,343
22	MATERIALS AND SUPPLIES	116,037,376	129,453,709	158,063,828	151,700,407	195,670,307
23	GAS STORED UNDERGROUND-CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	17,174,875	16,958,242	10,702,056	12,994,119	7,028,041
26	OTHER CURRENT AND ACCRUED ASSETS	5,266,743	7,187,325	8,869,378	4,353,409	3,274,323
27	TOTAL CURRENT AND ACCRUED ASSETS	597,665,300	474,329,032	482,090,941	472,130,127	453,315,514
28	UNAMORTIZED DEBT EXPENSE	100,533,627	64,041,780	52,381,070	21,764,007	21,843,811
29	EXTRAORDINARY PROPERTY LOSSES	953,754-	1,708,789	10,837,942	14,874,848	21,232,709
30	PREL. SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
31	CLEARING ACCOUNTS	24,337	24,976	28,844	18,127	17,254
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	2,288,729	1,361,617-	1,862,429	5,293,847	4,671,745
34	ACCUMULATED DEFERRED INCOME TAXES	31,610,000	15,674,000	54,178,000	58,919,000	73,393,000
35	OTHER DEFERRED DEBITS	145,409,421	81,169,236	34,100,300	68,112,535	83,436,951
36	TOTAL DEFERRED DEBITS	278,912,360	161,257,164	153,388,585	168,982,364	204,595,470
37	TOTAL ASSETS AND OTHER DEBITS	$ 7,629,390,034	$ 7,030,697,092	$ 6,287,594,528	$ 5,346,976,714	$ 4,797,115,240
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 127,140,994	$ 126,928,340	$ 116,848,974	$ 104,010,003	$ 93,832,151
39	PREFERRED STOCK ISSUED	697,850,000	682,900,000	628,850,000	592,800,000	484,750,000
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	1,214,854,083	1,210,463,925	1,035,273,337	858,485,451	697,394,141
43	OTHER PAID-IN CAPITAL	334,222,230	334,222,230	333,744,079	333,744,079	333,744,079
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	16,517,769-	14,447,457-	12,970,848-	11,733,534-	10,343,702-
46	RETAINED EARNINGS	884,924,625	791,934,619	702,224,603	617,815,582	564,469,905
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	36,925,932	50,180,588	40,237,078	32,865,388	1,553,511
48	REACQUIRED CAPITAL STOCK	-	-	1,349,000-	2,376,000-	2,008,000-
49	TOTAL PROPRIETARY CAPITAL	3,279,400,095	3,182,182,245	2,842,858,223	2,525,610,969	2,163,392,085
50	BONDS (LESS BONDS REACQUIRED)	2,246,141,000	2,129,751,000	2,069,996,000	1,779,333,000	1,744,185,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	637,855,304	570,127,872	377,973,035	236,300,000	154,600,000
53	NET UNAMORTIZED PREMIUM + DISCOUNT	67,143-	1,548,166	1,951,375	1,834,832	2,933,673
54	TOTAL LONG-TERM DEBT	2,883,929,161	2,701,427,038	2,449,920,410	2,017,467,832	1,901,718,673
55	NOTES PAYABLE	100,012,500	5,000,000	51,050,000	80,100,000	92,000,000
56	ACCOUNTS PAYABLE	159,532,569	214,804,855	198,383,636	197,075,539	193,607,675
57	PAYABLES TO ASSOCIATED COMPANIES	2,392,257	2,458,434	2,712,276	1,533,438	1,468,689
58	CUSTOMER DEPOSITS	8,559,771	7,740,695	6,551,721	5,648,481	4,960,989
59	TAXES ACCRUED	7,144,051	6,257,947	22,823,885	12,573,496	19,279,545
60	INTEREST ACCRUED	68,742,853	76,276,750	66,392,373	46,621,639	47,560,139
61	DIVIDENDS DECLARED	-	-	789-	-	-
62	TAX COLLECTIONS PAYABLE	5,946,244	6,112,126	8,287,354	8,670,682	8,333,773
63	OTHER CURRENT AND ACCRUED LIABILITIES	253,980,186	176,232,371	98,827,757	108,562,667	78,684,364
64	TOTAL CURRENT AND ACCRUED LIABILITIES	606,310,431	494,883,178	455,028,213	460,785,941	445,895,174
65	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	267,450,000	219,198,000	182,691,000	129,488,000	79,959,000
68	OTHER DEFERRED CREDITS	182,936,347	120,976,631	111,245,682	24,376,972	34,084,581
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	3,695,000	4,943,000	6,246,000	7,603,000	9,015,000
70	LIBERALIZED DEPRECIATION	275,052,000	221,263,000	178,265,000	124,391,000	100,485,000
71	OTHER	130,617,000	85,824,000	61,340,000	57,253,000	62,514,000
72	TOTAL DEFERRED CREDITS	859,750,347	652,204,631	539,787,682	343,111,972	286,057,581
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	-	-	-	-	-
75	PENSION AND BENEFITS RESERVE	-	-	-	-	51,727
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	-	-	-	-	51,727
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 7,629,390,034	$ 7,030,697,092	$ 6,287,594,528	$ 5,346,976,714	$ 4,797,115,240

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

NIAGARA MOHAWK POWER CORPORATION

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS

ITEM	1986	1985	1984	1983	1982	LINE NO.
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 528,486,345	$ 598,536,409	$ 651,075,381	$ 608,586,699	$ 533,121,959	1
OPERATION AND MAINTENANCE EXPENSE	409,142,470	479,835,448	524,836,113	497,609,707	434,083,401	2
DEPRECIATION EXPENSE	13,376,464	12,728,226	12,220,808	11,736,076	11,296,749	3
AMORTIZATION	271,374	289,260	408,557	579,185	909,713	4
TAXES OTHER THAN INCOME TAXES	50,148,791	50,603,748	50,960,287	47,457,799	42,905,131	5
INCOME TAXES	3,509,000-	4,818,724	22,628,526	10,200,140	3,575,445	6
PROVISION FOR DEFERRED INCOME TAXES	20,798,000	14,359,000	13,595,000	15,468,000	24,982,000	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	10,253,000-	7,799,000-	17,885,000-	16,490,000-	10,377,000-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	479,975,099	554,815,406	606,764,291	566,560,907	507,355,439	12
NET OPERATING REVENUES	48,511,246	43,721,003	44,312,070	42,025,792	25,766,520	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	48,511,246	43,721,003	44,312,070	42,025,792	25,766,520	15
OTHER UTILITY OPERATING INCOME	387,601,040	361,070,941	342,814,893	307,156,362	285,043,640	16
TOTAL UTILITY OPERATING INCOME	436,112,286	404,791,944	387,126,963	349,182,154	310,810,160	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	232,362	35,537-	129,792-	239,022-	102,379-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	7,467,736	11,580,528	9,356,690	9,876,212	11,193,464	21
INTEREST AND DIVIDEND INCOME	31,089,611	44,660,643	18,115,060	8,550,048	1,678,856	22
ALLOWANCE FOR CONSTRUCTION FUNDS	165,792,933	187,316,403	161,498,650	117,792,939	94,736,294	23
MISCELLANEOUS NONOPERATING INCOME	3,132,929	2,794,120	1,762,009-	3,221,927	9,447,414	24
GAIN ON DISPOSITION OF PROPERTY	388,649	861,265	815,351	72,752	4,430,444	25
TOTAL OTHER INCOME	208,104,220	247,177,422	187,891,950	139,274,856	121,384,093	26
TOTAL INCOME	644,216,506	651,969,366	575,018,913	488,457,010	432,194,253	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	2,567,698	1,201,739	963,295	641,006	673,859	28
INCOME TAXES-NONOPERATING	32,293,000-	26,454,447-	32,521,970-	29,023,373-	23,922,600-	29
LOSS ON DISPOSITION OF PROPERTY	206,615	126,276	75,605	83,985	25,384	30
MISCELLANEOUS AMORTIZATION	693,953	427,091	533,411	552,649	564,300	31
MISCELLANEOUS INCOME DEDUCTIONS	3,914,752-	2,035,414-	9,161,777	1,924,039	6,989,732	32
TOTAL INCOME DEDUCTIONS	32,739,486-	26,734,766-	21,787,882-	25,821,694-	15,699,325-	33
INCOME BEFORE INTEREST CHARGES	676,955,992	678,704,121	596,806,795	514,278,704	447,893,578	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	259,021,784	256,834,343	221,703,684	187,761,814	155,283,815	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	5,783,881	4,312,187	3,259,586	2,122,018	1,711,891	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	345,493-	354,673-	365,659-	380,972-	426,474-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	1,354,840	-	-	38
OTHER INTEREST EXPENSE	14,630,907	6,482,230	11,120,490	12,366,894	22,790,209	39
TOTAL INTEREST CHARGES	279,091,079	267,274,087	237,072,941	201,869,754	179,359,441	40
INCOME BEFORE EXTRAORDINARY ITEMS	397,864,913	411,430,034	359,733,864	312,408,950	268,534,137	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 397,864,913	$ 411,430,034	$ 359,733,864	$ 312,408,950	$ 268,534,137	46
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 791,236,386	$ 701,526,370	$ 617,117,349	$ 563,771,672	$ 470,937,538	47
BALANCE TRANSFERRED FROM INCOME	391,119,569	401,486,524	352,382,164	304,457,738	260,740,673	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	53,817,506	59,569,323	51,460,031	42,108,640	37,586,718	50
-COMMON STOCK	264,312,057	252,217,185	216,493,112	185,642,756	153,681,488	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	23,360,666-	23,360,666	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	864,226,392	791,236,386	701,526,370	617,117,349	563,771,672	53
APPROPRIATED RETAINED EARNINGS	698,233	698,233	698,233	698,233	698,233	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	56,925,932	50,180,588	40,237,078	32,865,388	1,553,511	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 921,850,557	$ 842,115,207	$ 742,461,681	$ 650,680,970	$ 566,023,416	56

SELECTED BALANCE SHEET RELATIONSHIPS

ITEM	1986	1985	1984	1983	1982	LINE NO.
CURRENT ASSETS / BY CURRENT LIABILITIES	0.99	0.96	1.06	1.02	1.02	57
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	46.7	45.9	46.2	44.4	46.7	58
PREFERRED STOCK	11.3	11.6	11.8	13.0	11.9	59
COMMON STOCK AND OTHER PAID-IN CAPITAL	27.8	29.0	28.5	28.9	27.4	60
RETAINED EARNINGS	14.0	13.4	13.2	13.5	13.8	61
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	34.2	35.5	35.6	32.9	34.7	62
ACCUM PROVISION FOR DEPR.: % OF UTILITY PLT	20.8	21.2	21.6	24.8	25.9	63

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1986	1985	1984	1983	1982	LINE NO.
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	20.0	22.3	23.5	23.2	22.4	64
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	77.4	80.1	80.6	81.7	81.4	65
GAS DEPRECIATION AND AMORTIZATION	2.5	2.1	1.9	2.0	2.2	66
TOTAL INCOME TAXES-GAS, OPERATING	1.3	1.9	2.8	1.5	3.4	67
OTHER TAXES-GAS, OPERATING	9.4	8.4	7.8	7.7	8.0	68
TOTAL GAS OPERATING EXPENSE	90.8	92.6	93.1	93.0	95.1	69
GAS OPERATING INCOME	9.1	7.3	6.8	6.9	4.8	70
INTEREST EXPENSE						
PRETAX COVERAGE	3.1	3.1	3.1	2.9	2.9	71
NET INCOME-PERCENT OF OPERATING REVENUES	15.0	15.3	12.9	11.9	11.3	72
DIVIDEND APPROPRIATIONS, COMMON STOCK % OF EARNINGS AVAILABLE FOR COMMON	76.8	71.6	70.2	68.6	66.5	73
PERCENT OF AVERAGE COMMON EQUITY EARNINGS AVAILABLE FOR COMMON STOCK	13.5	14.9	14.8	14.9	14.7	74

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

LINE NO		1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 397,864,913	$ 411,430,034	$ 359,733,854	$ 312,408,950	$ 268,534,137
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	154,537,360	149,870,078	140,380,300	126,765,149	120,700,234
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	133,743,000	141,206,000	116,265,000	80,850,259	68,900,015
4	INTEREST CAPITALIZED	165,792,933-	187,316,403-	161,496,650-	117,792,939-	94,736,294-
5	OTHER (NET):	10,789,745	9,160,216	8,255,386	1,979,757	1,773,379
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	531,142,085	524,349,922	463,137,890	404,211,176	365,171,471
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	531,142,085	524,349,922	463,137,890	404,211,176	365,171,471
10	LESS DIVIDENDS: PREFERRED	53,817,506	59,559,323	51,460,031	42,108,640	37,585,718
11	COMMON	264,312,057	252,217,185	216,493,112	185,642,756	153,681,486
12	NET FUNDS FROM INTERNAL SOURCES	213,012,522	212,573,414	195,184,747	176,459,780	173,904,267
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	623,432,432	425,480,502	409,713,713	289,900,000	316,578,207
14	PREFERRED STOCK	75,000,000	75,000,000	50,000,000	120,000,000	20,000,000
15	COMMON STOCK	4,602,812	185,269,954	189,626,857	171,269,162	145,193,821
16	NET INCREASE IN SHORT TERM DEBT	95,012,500	-	-	-	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	798,047,744	685,750,456	649,340,570	581,169,162	481,772,028
20	OTHER SOURCES (NET):	203,144,066	93,666,874	13,331,459	7,976,154	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,214,204,332	$ 991,990,744	$ 857,856,776	$ 765,605,096	$ 655,676,295
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 39,904,150	$ 20,911,143	$ 41,001,891	$ 31,872,767	$ 32,609,895
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	-	-	-
27	OTHER	732,306,600	745,766,154	743,692,749	643,863,293	559,285,410
28	TOTAL GROSS ADDITIONS	772,210,750	766,677,297	784,694,640	675,736,060	591,895,305
29	LESS INTEREST CAPITALIZED	165,792,933	187,316,403	161,496,650	117,792,939	94,736,294
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	606,417,817	579,360,894	623,197,990	557,943,121	497,159,011
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	440,815,000	178,195,000	30,732,000	173,052,000	65,428,000
32	PREFERRED STOCK	60,050,000	19,601,000	12,923,000	12,318,000	9,456,000
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	46,050,000	29,050,000	11,900,000	15,000,000
35	OTHER (NET):	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	500,865,000	243,846,000	72,705,000	197,270,000	89,884,000
38	OTHER USES (NET):	106,921,515	168,783,850	161,953,786	10,391,975	68,633,284
39						
40						
41	TOTAL FUNDS APPLIED	$ 1,214,204,332	$ 991,990,744	$ 857,856,776	$ 765,605,096	$ 655,676,295

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO.
GAS OPERATING REVENUES						
REVENUES						
RESIDENTIAL	$ 296,853,592	$ 295,060,661	$ 313,535,868	$ 304,157,282	$ 264,746,653	1
COMMERCIAL AND INDUSTRIAL	211,283,239	281,196,549	313,776,415	284,913,230	249,686,647	2
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	508,136,831	576,257,210	627,312,283	589,070,512	514,433,300	5
RESALE	14,299,555	18,691,096	19,708,076	15,783,044	15,418,357	6
TOTAL REVENUES FROM SALES OF GAS	522,436,386	594,948,306	647,020,359	604,853,556	529,851,657	7
OTHER GAS OPERATING REVENUES	6,049,959	3,588,103	4,056,002	3,733,143	3,270,302	8
TOTAL GAS OPERATING REVENUES	$ 528,486,345	$ 598,536,409	$ 651,076,361	$ 608,586,699	$ 533,121,959	9
GAS SALES (MCF)						
RESIDENTIAL	48,083,495	46,039,707	48,170,140	45,588,040	49,629,234	10
COMMERCIAL AND INDUSTRIAL	[illegible]1,627,922	54,687,260	58,995,226	51,223,226	53,208,433	11
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	89,711,417	100,726,967	107,165,366	96,811,266	102,837,667	14
RESALE	3,622,488	4,740,301	4,663,657	3,532,135	3,867,297	15
TOTAL GAS SALES	93,333,905	105,467,268	111,829,023	100,343,401	106,704,964	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	407,547	404,116	400,878	398,596	396,729	17
COMMERCIAL AND INDUSTRIAL	33,713	33,088	32,609	32,222	31,722	18
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	441,260	437,204	433,487	430,818	428,451	21
RESALE	2	2	2	2	2	22
TOTAL CUSTOMERS	441,262	437,206	433,489	430,820	428,453	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 728.39	$ 730.14	$ 782.12	$ 763.07	$ 667.32	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	118	114	120	114	125	25
AVERAGE REVENUE PER MCF SOLD	$ 6.17	$ 6.41	$ 6.51	$ 6.67	$ 5.33	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 6,267.11	$ 8,498.45	$ 9,622.39	$ 8,842.20	$ 7,871.09	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	1,235	1,653	1,809	1,590	1,677	28
AVERAGE REVENUE PER MCF SOLD	$ 5.08	$ 5.14	$ 5.32	$ 5.56	$ 4.69	29
GAS OPERATION AND MAINTENANCE EXPENSES						
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	-	-	-	-	-	31
NATURAL GAS						
PRODUCTION [illegible] GATHERING	10,849	12,101	15,142	24,282	24,497	32
EXPLORATION [illegible] DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	338,633,937	411,801,291	452,960,630	432,897,407	377,595,659	35
OTHER	5,353	1,888	9,796	20,052	19,148	36
TOTAL PRODUCTION EXPENSE	338,650,139	411,815,280	452,985,568	432,941,741	377,639,304	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	-	-	-	-	-	41
DISTRIBUTION EXPENSES	26,113,712	25,745,986	26,371,702	26,726,426	23,764,095	42
CUSTOMER ACCOUNTS EXPENSES	13,496,252	11,957,136	12,026,867	11,471,101	9,463,187	43
SALES EXPENSES	1,865,790	1,810,817	1,569,697	1,201,471	1,102,521	44
ADMINISTRATIVE AND GENERAL EXPENSES	29,016,577	28,506,230	32,882,289	25,268,968	22,114,294	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 409,142,470	$ 479,835,448	$ 524,836,113	$ 497,609,707	$ 434,083,401	46
GAS UTILITY PLANT*						
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	-	-	-	-	-	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	-	-	-	-	-	50
NATURAL GAS PLANT	2,022,040	2,137,158	2,284,317	2,548,092	2,834,461	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	537,995,951	511,546,650	488,325,347	467,450,460	442,114,316	56
GENERAL PLANT	4,428,634	4,311,445	4,018,449	3,758,504	4,448,772	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	544,446,625	517,995,253	494,628,113	473,757,056	449,397,549	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	14,084,870	8,654,322	8,836,288	7,318,324	8,917,765	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	558,531,495	526,649,575	503,464,401	481,075,380	458,315,314	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	148,854,486	138,753,482	130,695,873	121,899,825	115,033,556	67
NET GAS UTILITY PLANT	$ 409,677,009	$ 387,896,093	$ 372,768,528	$ 359,175,555	$ 343,281,758	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 517,995,253	$ 494,628,113	$ 473,757,056	$ 449,397,549	$ 420,663,899	69
ADDITIONS	28,892,504	27,321,915	24,204,649	28,527,848	31,541,730	70
RETIREMENTS	2,441,132	3,955,479	3,342,908	3,831,111	2,809,762	71
TRANSFERS AND ADJUSTMENTS	-	704	9,316	337,230-	11,682	72
PLANT IN SERVICE END OF YEAR	$ 544,446,625	$ 517,995,253	$ 494,628,113	$ 473,757,056	449,397,549	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

NIAGARA MOHAWK POWER CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 528,486,345	$ 598,536,409	$ 651,076,361	$ 608,586,699	$ 533,121,959
2	SALES (MCF)	93,333,905	105,467,268	111,829,023	100,343,401	106,704,964
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 338,639,290	$ 411,803,179	$ 452,970,426	$ 432,917,459	$ 377,614,807
4	WAGES AND BENEFITS	49,504,926	46,816,632	45,344,811	44,474,199	39,642,231
5	OTHER OPERATION AND MAINTENANCE EXPENSES	20,998,254	21,215,637	26,521,076	20,218,049	16,826,363
6	DEPRECIATION AND AMORTIZATION EXPENSES	13,647,838	12,997,486	12,629,365	12,315,261	12,206,462
7	INCOME TAXES - OPERATING	7,036,000	11,378,724	18,338,526	9,178,140	18,160,445
8	OTHER TAXES - OPERATING	50,148,791	50,603,748	50,960,287	47,457,799	42,905,131
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	19,456,463	21,319,337	18,867,553	16,083,643	16,113,156
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	3,339,436	3,890,288	3,603,086	3,315,646	3,223,376
11	EARNINGS AVAILABLE FOR COMMON EQUITY	25,715,347	18,511,378	21,841,431	22,626,503	6,429,988
12	TOTAL	$ 528,486,345	$ 598,536,409	$ 651,076,361	$ 608,586,699	$ 533,121,959
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	64.1	68.8	69.6	71.1	70.8
14	WAGES AND BENEFITS	9.4	7.8	7.0	7.3	7.4
15	OTHER OPERATION AND MAINTENANCE EXPENSES	4.0	3.5	4.1	3.3	3.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	2.6	2.2	1.9	2.0	2.3
17	INCOME TAXES - OPERATING	1.3	1.9	2.8	1.5	3.4
18	OTHER TAXES - OPERATING	9.5	8.5	7.8	7.8	8.0
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	3.7	3.6	2.9	2.6	3.0
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.6	0.6	0.5	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	4.9	3.1	3.4	3.7	1.2
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.63	$ 3.90	$ 4.05	$ 4.31	$ 3.54
24	WAGES AND BENEFITS	0.53	0.44	0.41	0.44	0.37
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.22	0.20	0.24	0.20	0.16
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.15	0.12	0.11	0.12	0.11
27	INCOME TAXES - OPERATING	0.08	0.11	0.16	0.09	0.17
28	OTHER TAXES - OPERATING	0.54	0.48	0.46	0.47	0.40
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.21	0.20	0.17	0.16	0.15
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.04	0.04	0.03	0.03	0.03
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.28	0.18	0.20	0.23	0.06
32	TOTAL	$ 5.66	$ 5.68	$ 5.82	$ 6.07	$ 5.00
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	6.26	6.58	7.08	7.94	8.61

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC.

LINE NO.	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 122,639,114	$ 114,489,418	$ 105,147,084	$ 98,607,613	$ 94,745,813
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	42,028,219	36,644,293	31,991,365	27,142,185	23,714,433
3	NET GAS UTILITY PLANT	80,610,895	77,845,125	73,155,719	71,465,428	71,031,380
4	OTHER UTILITY PLANT	619,798,608	543,241,354	513,181,776	488,598,840	472,355,953
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	176,464,327	168,472,201	156,154,139	142,840,296	130,918,620
6	NET OTHER UTILITY PLANT	443,334,281	374,769,153	357,027,637	345,758,544	341,437,333
7	TOTAL UTILITY PLANT	742,437,722	657,730,772	618,328,860	587,206,453	567,101,766
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	218,492,546	205,116,494	188,145,504	169,982,481	154,633,053
9	NET TOTAL UTILITY PLANT	523,945,176	452,614,278	430,183,356	417,223,972	412,468,713
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPRECIATION AND AMORTIZATION	72,733	83,506	91,038	79,279	109,628
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	66,140,629	61,225,798	55,283,544	54,491,112	47,812,100
13	OTHER INVESTMENTS	1	1	1	1	1
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	66,213,363	61,309,305	55,374,583	54,570,392	47,921,729
16	CASH	7,920,155	4,823,254	2,301,871	993,950	1,061,712
17	SPECIAL DEPOSITS	666,622	568,228	259,653	177,653	109,772
18	WORKING FUNDS	205,936	104,852	39,214	69,289	66,616
19	TEMPORARY CASH INVESTMENTS	-	-	8,970,161	-	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	30,773,098	34,982,563	37,984,297	37,725,767	30,654,162
21	RECEIVABLES FROM ASSOCIATED COMPANIES	8,965,971	7,764,500	8,531,675	7,395,243	9,501,406
22	MATERIALS AND SUPPLIES	14,353,966	17,662,295	18,773,090	14,079,489	18,257,634
23	GAS-STORED UNDERGROUND-CURRENT	3,904,088	5,133,059	3,776,418	3,313,349	4,184,338
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	16,391,992	14,062,863	13,484,305	12,921,909	32,853,218
26	OTHER CURRENT AND ACCRUED ASSETS	27,773,327	33,639,381	26,543,641	22,503,071	15,687,909
27	TOTAL CURRENT AND ACCRUED ASSETS	110,955,154	118,740,996	120,664,325	99,179,720	112,376,767
28	UNAMORTIZED DEBT EXPENSE	4,494,870	4,686,684	3,408,082	2,129,385	2,437,492
29	EXTRAORDINARY PROPERTY LOSSES	33,821,591	34,850,943	36,685,577	38,544,953	33,344,800
30	PREL. SURVEY + INVESTIGATION CHARGES	186,947	546,860	682,637	600,246	535,247
31	CLEARING ACCOUNTS	-	1,718	-	84	-
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	14,152	290,191-	556,936-	77,418-	116,252
34	ACCUMULATED DEFERRED INCOME TAXES	2,368,323	1,148,149	526,738	257,842	272,276
35	OTHER DEFERRED DEBITS	6,603,062	12,567,184	13,778,170	18,332,854	22,287,659
36	TOTAL DEFERRED DEBITS	47,488,945	53,511,347	54,524,268	59,787,926	58,993,726
37	TOTAL ASSETS AND OTHER DEBITS	$ 748,602,638	$ 686,175,926	$ 660,746,532	$ 630,762,010	$ 631,760,935
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 63,146,955	$ 63,130,810	$ 63,112,095	$ 61,525,110	$ 58,867,065
39	PREFERRED STOCK ISSUED	58,865,744	60,322,164	61,790,087	61,823,492	61,911,062
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	105,860,383	105,806,315	105,743,632	100,633,816	93,408,810
43	OTHER PAID-IN CAPITAL	-	-	-	-	-
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	5,826,406-	5,848,720-	5,804,508-	5,748,418-	5,623,735-
46	RETAINED EARNINGS	71,319,466	66,807,220	64,858,456	55,842,734	49,992,452
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	39,915,548	35,000,717	30,960,464	30,168,132	26,489,120
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	333,281,689	325,218,506	320,660,226	304,244,866	285,044,774
50	BONDS (LESS BONDS REACQUIRED)	170,000,000	170,000,000	170,000,000	170,000,000	178,000,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	59,867,807	25,057,702	16,926,290	6,237,125	5,341,680
53	NET UNAMORTIZED PREMIUM + DISCOUNT	300,419-	285,827-	39,940	591,726	602,261
54	TOTAL LONG TERM DEBT	229,567,388	194,771,875	186,966,230	176,828,851	183,943,941
55	NOTES PAYABLE	22,000,000	4,500,000	-	11,500,000	14,000,000
56	ACCOUNTS PAYABLE	45,508,262	42,739,124	42,297,507	31,919,090	34,600,107
57	PAYABLES TO ASSOCIATED COMPANIES	1,020,625	312,179	763,151	421,401	1,905,745
58	CUSTOMER DEPOSITS	2,127,738	2,054,542	1,914,025	1,837,682	1,777,310
59	TAXES ACCRUED	3,656,481	3,173,533	3,395,856	17,422,533	37,868,841
60	INTEREST ACCRUED	3,310,015	5,006,474	4,989,859	5,431,863	5,512,364
61	DIVIDENDS DECLARED	1,058,902	1,002,799	1,002,799	1,002,799	1,002,799
62	TAX COLLECTIONS PAYABLE	351,355	332,310	275,987	271,643	301,788
63	OTHER CURRENT AND ACCRUED LIABILITIES	18,967,156	19,035,353	16,197,309	16,073,813	4,237,035
64	TOTAL CURRENT AND ACCRUED LIABILITIES	98,000,534	78,156,314	70,836,493	85,880,824	101,205,989
65	CUSTOMER ADVANCES FOR CONSTRUCTION	838,316	755,943	671,478	541,252	403,916
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	20,588,775	15,784,513	13,091,388	11,418,396	10,338,353
68	OTHER DEFERRED CREDITS	4,005,861	11,365,288	11,851,743	6,295,537	8,269,849
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	1,154,977	1,067,326	988,273	1,106,521	1,224,769
70	LIBERALIZED DEPRECIATION	39,524,500	34,136,101	28,487,700	23,672,900	19,236,551
71	OTHER	18,519,926	22,693,658	24,867,201	18,493,669	20,499,918
72	TOTAL DEFERRED CREDITS	84,632,355	85,802,829	79,957,783	61,528,295	59,973,356
73	PROPERTY INSURANCE RESERVE	445,921	445,921	484,474	484,474	520,860
74	INJURIES AND DAMAGE RESERVES	2,413,703	1,553,326	1,713,628	1,787,990	1,143,156
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	261,048	227,155	127,698	6,710	71,141-
77	TOTAL OPERATING RESERVES	3,120,672	2,226,402	2,325,800	2,279,174	1,592,875
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 748,602,638	$ 686,175,926	$ 660,746,532	$ 630,762,010	$ 631,760,935

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

ORANGE AND ROCKLAND UTILITIES, INC

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 127,683,125	$ 137,930,444	$ 141,702,426	$ 150,512,412	$ 132,249,902	1
OPERATION AND MAINTENANCE EXPENSE	98,613,757	109,658,519	111,552,848	126,438,224	108,471,896	2
DEPRECIATION EXPENSE	3,936,833	4,321,868	4,648,470	3,941,455	3,883,085	3
AMORTIZATION	2,378,599	944,238	750,507	142,788	169,642	4
TAXES OTHER THAN INCOME TAXES	12,720,099	12,849,060	12,816,864	11,477,013	9,739,021	5
INCOME TAXES	6,554,179	2,698,143	961,521-	3,455,693	408,431	6
PROVISION FOR DEFERRED INCOME TAXES	2,248,300	2,446,800	6,986,237	1,798,600	2,789,840	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	4,878,848-	1,757,883-	2,004,931-	2,859,485-	255,475-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	121,572,919	131,160,745	133,788,474	144,394,288	125,206,442	12
NET OPERATING REVENUES	6,110,206	6,769,699	7,913,952	6,118,124	7,043,460	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	6,110,206	6,769,699	7,913,952	6,118,124	7,043,460	15
OTHER UTILITY OPERATING INCOME	40,233,810	41,274,560	41,571,111	39,307,741	36,518,017	16
TOTAL UTILITY OPERATING INCOME	46,344,016	48,044,259	49,485,063	45,425,865	43,561,477	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	302	11,619-	649	1,302-	656-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	4,914,831	4,040,253	1,576,332	4,463,012	5,056,050	21
INTEREST AND DIVIDEND INCOME	272,190	669,188	698,881	2,164,583	2,664,150	22
ALLOWANCE FOR CONSTRUCTION FUNDS	9,351,230	1,643,130	3,389,108	2,698,415	1,818,656	23
MISCELLANEOUS NONOPERATING INCOME	175,483-	170,186-	90,622-	169,783-	185,014-	24
GAIN ON DISPOSITION OF PROPERTY	132,645	204,834	20,710	58,134	41,775	25
TOTAL OTHER INCOME	14,495,715	6,375,600	5,595,058	9,213,059	9,394,961	26
TOTAL INCOME	60,839,731	54,419,859	55,080,121	54,638,924	52,956,438	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	34,927	36,066	29,249	24,487	31,945	28
INCOME TAXES-NONOPERATING	2,832,867-	1,434,944-	2,893,783-	676,475-	300,476	29
LOSS ON DISPOSITION OF PROPERTY	530	43	-	875	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	632,869	439,908	317,562	378,755	195,278	32
TOTAL INCOME DEDUCTIONS	2,164,541-	958,927-	2,546,972-	272,358-	527,699	33
INCOME BEFORE INTEREST CHARGES	63,004,272	55,378,786	57,627,093	54,911,282	52,428,739	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	22,119,959	14,157,366	17,297,740	16,692,331	14,781,202	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	234,376	179,753	362,757	348,127	208,046	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	46,370-	46,369-	46,369-	50,535-	51,923-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	288,210-	1,330,736	1,294,074	1,819,812	3,365,560	39
TOTAL INTEREST CHARGES	22,019,755	15,621,486	18,908,202	18,809,735	18,302,885	40
INCOME BEFORE EXTRAORDINARY ITEMS	40,984,517	39,757,300	38,718,891	36,101,547	34,125,854	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 40,984,517	$ 39,757,300	$ 38,718,891	$ 36,101,547	$ 34,125,854	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 66,807,220	$ 64,858,456	$ 55,842,734	$ 49,992,452	$ 44,378,181	47
BALANCE TRANSFERRED FROM INCOME	36,069,686	35,717,047	37,926,559	32,422,535	29,853,804	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	4,281,253	4,284,360	4,287,709	4,290,048	4,295,717	50
-COMMON STOCK	27,276,188	26,386,024	24,623,128	22,282,205	19,943,816	51
ADJUSTMENTS TO RETAINED EARNINGS	-	3,097,899-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	71,319,466	66,807,220	64,858,456	55,842,734	49,992,452	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	39,915,548	35,000,717	30,960,464	30,168,132	26,489,120	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 111,235,013	$ 101,807,937	$ 95,818,920	$ 86,010,866	$ 76,481,572	56
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	1.13	1.52	1.70	1.15	1.11	57
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	40.7	37.4	36.8	36.7	39.2	58
PREFERRED STOCK	10.4	11.6	12.1	12.8	13.2	59
COMMON STOCK AND OTHER PAID-IN CAPITAL	36.0	38.0	38.2	38.7	36.9	60
RETAINED EARNINGS	12.6	12.8	12.7	11.6	10.6	61
LONG-TERM DEBT % OF GROSS UTILITY PLANT	-	29.6	30.2	30.1	31.4	62
ACCUM PROVISION FOR DEPR % OF UTILITY PLT	-	31.1	30.4	28.9	27.2	63
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	30.0	28.9	28.3	31.0	29.6	64
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	77.2	79.5	78.7	84.0	82.0	65
GAS DEPRECIATION AND AMORTIZATION	4.9	3.8	3.8	2.7	3.0	66
TOTAL INCOME TAXES-GAS, OPERATING	3.0	2.4	2.8	1.5	2.2	67
OTHER TAXES-GAS, OPERATING	9.9	9.3	9.0	7.6	7.3	68
TOTAL GAS OPERATING EXPENSE	95.2	95.0	94.4	95.9	94.6	69
GAS OPERATING INCOME	4.7	4.9	5.5	4.0	5.3	70
INTEREST EXPENSE						
PRETAX COVERAGE	3.9	5.3	4.5	4.2	4.0	71
NET INCOME-PERCENT OF OPERATING REVENUES	9.6	8.3	7.7	7.4	7.6	72
DIVIDEND APPROPRIATIONS, COMMON STOCK % OF EARNINGS AVAILABLE FOR COMMON	74.3	74.3	71.5	70.0	66.8	73
PERCENT OF AVERAGE COMMON EQUITY EARNINGS AVAILABLE FOR COMMON STOCK	13.6	13.5	13.7	13.6	13.9	74

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC.

LINE NO.		1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 40,984,517	$ 39,757,300	$ 38,718,891	$ 36,101,547	$ 34,125,854
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	21,022,286	19,817,904	19,898,524	17,959,835	17,281,031
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	4,886,408	5,625,625	12,474,160	3,406,349	7,582,686
4	INTEREST CAPITALIZED	9,351,230-	1,643,130-	3,389,108-	2,698,415-	1,818,656-
5	OTHER (NET)	6,434,837	4,865,769	5,408,828	3,102,332	1,282,136
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	63,976,818	68,423,468	73,111,295	57,871,648	58,453,051
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	63,976,818	68,423,468	73,111,295	57,871,648	58,453,051
10	LESS DIVIDENDS: PREFERRED	4,281,253	4,284,360	4,287,709	4,290,048	4,295,717
11	COMMON	27,276,188	26,386,024	24,623,128	22,282,205	19,943,816
12	NET FUNDS FROM INTERNAL SOURCES	32,419,377	37,753,084	44,200,458	31,299,395	34,213,518
	EXTERNAL SOURCES					
13	LONG TERM DEBT	35,863,177	8,808,554	11,043,738	913,613	5,302,312
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	70,213	81,398	6,696,801	9,883,051	7,928,492
16	NET INCREASE IN SHORT TERM DEBT	17,500,000	4,500,000	-	-	5,900,000
17	OTHER (NET)	-	-	-	-	7,018,070
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	53,433,390	13,389,952	17,740,539	10,796,664	26,148,874
20	OTHER SOURCES (NET)	10,130,062	4,743,150	5,336,411	371,882	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 95,982,829	$ 55,886,186	$ 67,277,408	$ 42,467,941	$ 60,362,392
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 8,572,110	$ 9,584,211	$ 6,770,393	$ 4,259,737	$ 6,432,452
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	18,028	17,951	34,625	-	2,164
27	OTHER	85,028,891	33,225,774	26,944,584	19,032,649	27,040,429
28	TOTAL GROSS ADDITIONS	93,619,029	42,827,936	33,749,602	23,292,386	33,475,045
29	LESS INTEREST CAPITALIZED	9,351,230	1,643,130	3,389,108	2,698,415	1,818,656
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	84,267,799	41,184,806	30,360,494	20,593,971	31,656,389
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	1,053,072	677,142	354,573	8,018,168	10,016,182
32	PREFERRED STOCK	1,456,420	1,467,923	33,405	87,570	107,172
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	-	11,500,000	2,500,000	-
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	2,509,492	2,145,065	11,887,978	10,605,738	10,123,354
38	OTHER USES (NET)	9,205,538	12,556,315	25,028,936	11,268,232	18,582,649
39						
40						
41	TOTAL FUNDS APPLIED	$ 95,982,829	$ 55,886,186	$ 67,277,408	$ 42,467,941	$ 60,362,392

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC

ITEM	1986	1985	1984	1983	1982	LINE NO.
		GAS OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 79,482,699	$ 76,442,814	$ 76,294,341	$ 85,964,587	$ 71,014,172	1
COMMERCIAL AND INDUSTRIAL	42,859,825	57,307,388	61,582,662	61,195,026	58,278,278	2
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	3
INTERDEPARTMENTAL	59,220	71,396	95,380	98,773	96,516	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	122,401,744	133,821,598	137,972,383	147,258,386	129,388,966	5
RESALE	2,657,157	2,913,077	2,498,445	2,875,650	2,360,090	6
TOTAL REVENUES FROM SALES OF GAS	125,058,901	136,734,675	140,470,828	150,134,036	131,749,056	7
OTHER GAS OPERATING REVENUES	2,624,224	1,195,769	1,231,598	378,376	500,846	8
TOTAL GAS OPERATING REVENUES	$ 127,683,125	$ 137,930,444	$ 141,702,426	$ 150,512,412	$ 132,249,902	9
GAS SALES (MCF)						
RESIDENTIAL	12,534,708	11,999,266	12,231,490	11,937,992	12,217,137	10
COMMERCIAL AND INDUSTRIAL	7,786,996	10,285,685	10,984,027	10,009,024	11,152,998	11
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	12
INTERDEPARTMENTAL	14,496	16,112	22,167	20,178	23,463	13
TOTAL SALES TO ULTIMATE CONSUMERS	20,336,200	22,301,063	23,237,684	21,967,194	23,393,598	14
RESALE	712,671	636,129	607,364	591,690	543,160	15
TOTAL GAS SALES	21,048,871	22,937,192	23,845,048	22,558,884	23,936,758	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	87,738	85,817	83,946	82,569	81,332	17
COMMERCIAL AND INDUSTRIAL	7,969	7,623	7,289	7,021	6,789	18
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	19
INTERDEPARTMENTAL	1	1	1	1	1	20
TOTAL ULTIMATE CONSUMERS	95,708	93,441	91,236	89,591	88,122	21
RESALE	2	2	2	2	3	22
TOTAL CUSTOMERS	95,710	93,443	91,238	89,593	88,125	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 905.91	$ 890.77	$ 908.85	$1,041.12	$ 873.14	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	143	140	146	145	150	25
AVERAGE REVENUE PER MCF SOLD	$ 6.34	$ 6.37	$ 6.24	$ 7.20	$ 5.81	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 5,378.32	$ 7,517.70	$ 8,448.71	$ 8,716.00	$ 8,584.22	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	977	1,349	1,507	1,426	1,643	28
AVERAGE REVENUE PER MCF SOLD	$ 5.50	$ 5.57	$ 5.61	$ 6.11	$ 5.23	29
		GAS OPERATION AND MAINTENANCE EXPENSES				
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	473,935	599,887	363,898	439,128	921,268	31
NATURAL GAS						
PRODUCTION AND GATHERING	-	-	-	-	-	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	80,290,660	132,414,337	148,737,918	157,301,505	146,836,354	35
OTHER	6,720,285-	48,977,722-	56,270,594-	49,284,820-	54,444,583-	36
TOTAL PRODUCTION EXPENSE	74,044,310	84,036,502	92,831,222	108,455,813	93,313,039	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	1,762,238	1,777,650	1,777,650	1,713,247	38
OTHER STORAGE EXPENSES	1,517,174	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	1,517,174	1,762,238	1,777,650	1,777,650	1,713,247	40
TRANSMISSION EXPENSES	5,525,505	7,770,495	1,858,654	1,461,683	1,067,488	41
DISTRIBUTION EXPENSES	7,211,453	6,870,823	6,760,720	6,832,054	5,976,360	42
CUSTOMER ACCOUNTS EXPENSES	2,454,915	2,156,535	2,249,218	2,089,393	1,713,316	43
SALES EXPENSES	497,338	513,696	396,454	299,320	301,500	44
ADMINISTRATIVE AND GENERAL EXPENSES	7,363,062	6,548,230	5,678,930	5,522,311	4,386,948	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 98,613,757	$ 109,658,519	$ 111,552,848	$ 126,438,224	$ 108,471,898	46
		GAS UTILITY PLANT*				
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 20,826	$ 20,826	$ 20,826	$ 20,826	$ 20,826	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	3,395,172	3,394,382	3,367,777	3,337,509	3,216,460	50
NATURAL GAS PLANT	373,743	373,743	373,743	439,703	511,659	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	109,762,690	104,135,816	96,227,195	91,036,014	87,042,629	56
GENERAL PLANT	3,627,767	3,240,036	3,050,535	2,942,744	2,628,492	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	117,180,198	111,164,803	103,040,076	97,776,796	93,420,066	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	23,633	23,633	23,633	23,633	23,633	63
CONSTRUCTION WORK IN PROGRESS	5,435,283	3,300,982	2,083,375	807,184	1,302,114	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	122,639,114	114,489,418	105,147,084	98,607,613	94,745,813	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	42,028,219	36,644,293	31,991,365	27,142,185	23,714,433	67
NET GAS UTILITY PLANT	$ 80,610,895	$ 77,845,125	$ 73,155,719	$ 71,465,428	$ 71,031,380	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 111,164,803	$ 103,040,076	$ 97,776,796	$ 93,420,066	$ 87,178,903	69
ADDITIONS	6,437,809	8,366,604	5,494,202	4,754,667	6,619,781	70
RETIREMENTS	479,292	241,877	262,395	405,114	381,630	71
TRANSFERS AND ADJUSTMENTS	56,878	-	31,473	7,177	3,012	72
PLANT IN SERVICE END OF YEAR	$ 117,180,198	$ 111,164,803	$ 103,040,076	$ 97,776,796	$ 93,420,066	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

ORANGE AND ROCKLAND UTILITIES, INC.

LINE NO.	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 127,683,125	$ 137,930,444	$ 141,702,426	$ 150,512,412	$ 132,249,902
2	SALES (MCF)	21,048,871	22,937,192	23,845,048	22,558,884	23,936,768
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 73,570,376	$ 83,436,615	$ 92,467,324	$ 108,016,685	$ 92,391,771
4	WAGES AND BENEFITS	11,717,487	11,378,173	10,481,699	10,181,182	8,665,661
5	OTHER OPERATION AND MAINTENANCE EXPENSES	13,326,915	14,845,731	8,603,825	8,240,357	7,424,476
6	DEPRECIATION AND AMORTIZATION EXPENSES	6,315,432	5,266,106	5,398,977	4,084,243	4,052,727
7	INCOME TAXES - OPERATING	3,923,631	3,387,080	4,019,785	2,394,808	2,942,796
8	OTHER TAXES - OPERATING	12,720,099	12,849,080	12,816,864	11,477,013	9,739,021
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	2,106,172	3,145,778	3,260,977	2,856,108	3,776,280
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	709,661	771,994	764,856	780,254	768,268
11	EARNINGS AVAILABLE FOR COMMON EQUITY	3,296,373	2,861,927	3,888,119	2,481,762	2,498,912
12	TOTAL	$ 127,683,125	$ 137,930,444	$ 141,702,426	$ 150,512,412	$ 132,249,902
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	57.6	60.5	65.3	71.8	69.9
14	WAGES AND BENEFITS	9.2	8.2	7.4	6.8	6.5
15	OTHER OPERATION AND MAINTENANCE EXPENSES	10.4	10.8	6.1	5.5	5.6
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.9	3.8	3.8	2.7	3.1
17	INCOME TAXES - OPERATING	3.1	2.5	2.8	1.6	2.2
18	OTHER TAXES - OPERATING	10.0	9.3	9.0	7.6	7.4
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	1.6	2.3	2.3	1.9	2.9
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.6	0.5	0.5	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	2.6	2.1	2.7	1.6	1.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.50	$ 3.64	$ 3.88	$ 4.79	$ 3.86
24	WAGES AND BENEFITS	0.56	0.50	0.44	0.45	0.36
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.63	0.65	0.36	0.37	0.21
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.30	0.23	0.23	0.18	0.17
27	INCOME TAXES - OPERATING	0.19	0.15	0.17	0.11	0.12
28	OTHER TAXES - OPERATING	0.60	0.56	0.54	0.51	0.41
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.10	0.14	0.14	0.13	0.16
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.03	0.03	0.03	0.03	0.03
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.16	0.12	0.16	0.11	0.10
32	TOTAL	$ 6.07	$ 6.01	$ 5.94	$ 6.67	$ 5.52
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	16.35	18.07	17.85	18.26	18.09

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

LINE NO.	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 249,504,986	$ 238,156,047	$ 227,954,897	$ 218,586,695	$ 208,214,095
2	ACCUM. PROVISION FOR DEPR. AND AMORT.	75,363,313	70,093,929	65,107,550	60,445,848	55,527,957
3	NET GAS UTILITY PLANT	174,141,673	168,062,118	162,847,347	158,140,847	152,686,138
4	OTHER UTILITY PLANT	2,091,019,064	1,918,953,404	1,720,751,009	1,516,747,051	1,337,348,185
5	ACCUM. PROVISION FOR DEPR. AND AMORT.	541,643,808	506,165,727	465,023,098	425,834,997	381,588,919
6	NET OTHER UTILITY PLANT	1,549,375,256	1,412,787,677	1,255,727,911	1,090,912,054	955,759,266
7	TOTAL UTILITY PLANT	2,340,524,050	2,157,109,451	1,948,705,906	1,735,333,746	1,545,562,280
8	ACCUM. PROVISION FOR DEPR. AND AMORT.	617,007,121	576,259,656	530,130,648	486,280,845	437,116,876
9	NET TOTAL UTILITY PLANT	1,723,516,929	1,580,849,795	1,418,575,258	1,249,052,901	1,108,445,404
10	NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPRECIATION AND AMORTIZATION	27,371	27,371	27,371	27,371	3,573,858
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	2,237,100	2,237,100	2,237,100	2,237,100	-
13	OTHER INVESTMENTS	290,759	290,759	298,759	116,656	116,656
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	2,555,230	2,555,230	2,563,230	2,381,127	3,690,514
16	CASH	1,363,403	1,154,964	903,611	1,701,468	1,096,230
17	SPECIAL DEPOSITS	41,000	5,463,259	8,969,494	1,169,155	5,373,232
18	WORKING FUNDS	114,799	72,079	66,029	233,271	357,932
19	TEMPORARY CASH INVESTMENTS	2,300,000	39,798,414	38,545,798	21,499,861	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	54,388,776	66,308,759	67,572,961	72,406,539	73,336,960
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
22	MATERIALS AND SUPPLIES	24,222,370	21,013,566	26,879,942	28,873,396	34,989,937
23	GAS STORED UNDERGROUND-CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	11,322,946	10,186,115	8,098,717	9,656,541	9,309,686
26	OTHER CURRENT AND ACCRUED ASSETS	66,312	183,744	64,591	184,798	238,388
27	TOTAL CURRENT AND ACCRUED ASSETS	93,819,606	144,180,900	151,101,143	135,725,029	124,702,355
28	UNAMORTIZED DEBT EXPENSE	12,022,078	9,081,381	8,000,189	7,293,542	6,427,564
29	EXTRAORDINARY PROPERTY LOSSES	42,576,501	48,116,001	34,479,446	37,379,391	39,986,677
30	PREL. SURVEY + INVESTIGATION CHARGES	1,499,151	1,705,398	1,088,688	1,698,130	1,563,216
31	CLEARING ACCOUNTS	-	-	-	-	-
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	422,953	52,535-	2,063,209	4,779,231	6,010,107
34	ACCUMULATED DEFERRED INCOME TAXES	10,424,822	9,912,541	14,699,384	15,045,009	25,589,358
35	OTHER DEFERRED DEBITS	40,801,785	13,513,143	1,396,146	24,983,673	27,352,364
36	TOTAL DEFERRED DEBITS	107,747,290	82,275,929	61,727,062	91,178,976	106,929,286
37	TOTAL ASSETS AND OTHER DEBITS	$ 1,927,639,055	$ 1,809,861,854	$ 1,633,966,693	$ 1,478,338,033	$ 1,343,767,559
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 146,235,435	$ 142,484,495	$ 128,382,435	$ 122,032,115	$ 109,966,955
39	PREFERRED STOCK ISSUED	112,110,000	114,547,500	144,187,500	144,187,500	145,000,000
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	345,652,806	330,575,694	287,771,904	274,591,452	243,717,532
43	OTHER PAID-IN CAPITAL	341,284	376,357	102,139	102,139	-
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	12,525,240-	12,359,142-	11,340,117-	11,466,987-	10,782,749-
46	RETAINED EARNINGS	249,505,014	216,794,787	179,675,826	153,142,070	119,799,019
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	841,319,298	792,419,691	728,779,687	682,588,289	607,700,757
50	BONDS (LESS BONDS REACQUIRED)	698,750,000	676,500,000	636,500,000	611,500,000	541,167,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	91,900,000	91,900,000	51,700,000	-	-
53	NET UNAMORTIZED PREMIUM + DISCOUNT	181,608	139,341-	181,583-	217,792-	254,001-
54	TOTAL LONG TERM DEBT	790,831,608	768,260,659	688,018,417	611,282,208	540,912,999
55	NOTES PAYABLE	18,000,000	-	-	-	40,000,000
56	ACCOUNTS PAYABLE	26,618,322	44,268,476	43,472,318	54,134,270	34,334,083
57	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
58	CUSTOMER DEPOSITS	2,001,176	1,600,350	1,262,157	765,656	627,821
59	TAXES ACCRUED	3,681,987-	1,299,052	7,308,458	4,501,420	6,464,883
60	INTEREST ACCRUED	14,235,797	14,584,970	13,276,409	12,862,581	14,265,974
61	DIVIDENDS DECLARED	18,069,593	17,718,413	16,849,210	59,923	92,510
62	TAX COLLECTIONS PAYABLE	1,524,957	1,480,388	1,199,983	1,234,167	1,170,693
63	OTHER CURRENT AND ACCRUED LIABILITIES	11,065,824	7,958,557	7,064,370	7,254,679	12,350,990
64	TOTAL CURRENT AND ACCRUED LIABILITIES	87,833,702	88,910,206	90,432,905	80,812,696	109,306,954
65	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	2,000	4,000
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM. DEFERRED INVESTMENT TAX CREDITS	86,156,106	76,011,458	66,052,852	37,241,053	24,923,141
68	OTHER DEFERRED CREDITS	46,494,416	22,453,671	11,562,502	16,671,812	11,424,915
	ACCUMULATED DEFERRED INCOME TAXES,					
69	ACCELERATED AMORTIZATION	-	-	-	-	-
70	LIBERALIZED DEPRECIATION	52,402,121	41,178,286	33,009,606	24,052,649	19,206,360
71	OTHER	21,279,534	19,325,619	14,704,522	24,522,940	29,690,827
72	TOTAL DEFERRED CREDITS	206,332,177	158,969,034	125,329,481	102,490,454	85,249,243
73	PROPERTY INSURANCE RESERVE	758,845	463,115	288,583	104,472	3,222
74	INJURIES AND DAMAGE RESERVES	563,425	839,149	1,117,620	1,059,914	594,384
75	PENSION AND BENEFITS RESERVE	-	-	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	1,322,270	1,302,264	1,405,203	1,164,386	597,606
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,927,639,055	$ 1,809,861,854	$ 1,633,966,693	$ 1,478,338,033	$ 1,343,767,559

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

ROCHESTER GAS AND ELECTRIC CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 261,687,714 $	269,561,412 $	291,628,265 $	276,357,535 $	253,233,140	1
OPERATION AND MAINTENANCE EXPENSE	203,941,451	215,229,322	228,909,362	228,120,374	202,945,953	2
DEPRECIATION EXPENSE	8,318,630	7,700,456	7,377,226	6,631,685	6,287,386	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	23,276,317	23,116,119	23,797,637	22,167,197	20,328,306	5
INCOME TAXES	7,760,822	4,190,456	11,461,024	4,364,146	3,261,735	6
PROVISION FOR DEFERRED INCOME TAXES	2,606,620	4,413,170	3,789,152	3,505,106	5,612,999	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	2,593,919-	2,680,460-	6,050,940-	4,024,357-	2,026,980-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	243,309,921	251,929,072	270,363,461	260,784,151	236,509,398	12
NET OPERATING REVENUES	18,377,793	17,632,340	21,264,804	15,573,384	16,723,742	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	18,377,793	17,632,340	21,264,804	15,573,384	16,723,742	15
OTHER UTILITY OPERATING INCOME	97,443,675	101,621,686	87,799,673	83,250,976	68,345,700	16
TOTAL UTILITY OPERATING INCOME	115,821,468	119,254,026	109,064,477	98,824,360	85,069,442	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	397-	-	1,320	8,893-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	-	-	15,329	26,569	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	1,456,100	5,099,936	2,637,144	2,394,727	1,518,434	22
ALLOWANCE FOR CONSTRUCTION FUNDS	44,805,667	52,732,548	46,522,889	36,091,814	28,715,430	23
MISCELLANEOUS NONOPERATING INCOME	5,344,106	306,575-	1,158,391-	332,095	321,625	24
GAIN ON DISPOSITION OF PROPERTY	461,281	10,665	24,083	15,270	32,901	25
TOTAL OTHER INCOME	52,067,154	57,536,177	48,025,725	38,850,555	30,606,256	26
TOTAL INCOME	167,888,622	176,790,203	157,090,202	137,674,915	115,675,698	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	27,471	70,541	83,082	122,988	87,944	28
INCOME TAXES-NONOPERATING	13,880,533-	13,344,232-	13,365,506-	9,724,205-	8,486,922-	29
LOSS ON DISPOSITION OF PROPERTY	-	8,177,216	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	283,684	378,420	378,420	378,420	31
MISCELLANEOUS INCOME DEDUCTIONS	509,336	634,325	779,774	904,566	868,579	32
TOTAL INCOME DEDUCTIONS	13,343,726-	4,278,466-	12,114,232-	8,318,231-	7,151,979-	33
INCOME BEFORE INTEREST CHARGES	181,232,348	181,068,669	169,204,434	145,993,146	122,827,677	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	74,570,833	70,372,950	63,103,083	56,760,888	48,327,328	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	1,147,134	833,145	750,386	670,573	619,235	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	32,411-	33,617-	39,651-	39,651-	40,473-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	1,027,945	1,427,700	1,772,539	2,353,501	3,981,897	39
TOTAL INTEREST CHARGES	76,713,501	72,600,188	65,586,337	59,745,311	52,787,987	40
INCOME BEFORE EXTRAORDINARY ITEMS	104,518,847	108,468,481	103,618,097	86,247,835	70,039,690	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 104,518,847 $	108,468,481 $	103,618,097 $	86,247,835 $	70,039,690	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 216,752,440 $	179,833,479 $	153,099,723 $	119,756,872 $	104,789,374	47
BALANCE TRANSFERRED FROM INCOME	104,518,847	108,468,481	103,618,097	86,247,835	70,039,690	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	8,057,705	9,467,448	12,212,814	10,514,708	10,538,000	50
-COMMON STOCK	63,750,915	62,082,072	64,871,527	42,390,076	44,534,392	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	249,462,667	216,752,440	179,833,479	153,099,723	119,756,872	53
APPROPRIATED RETAINED EARNINGS	42,347	42,347	42,347	42,347	42,347	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 249,505,014 $	216,794,787 $	179,875,826 $	153,142,070 $	119,799,019	56
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	1.07	1.62	1.67	1.66	1.14	57
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	48.4	49.2	48.5	47.2	47.0	58
PREFERRED STOCK	6.8	7.3	10.1	11.1	12.6	59
COMMON STOCK AND OTHER PAID-IN CAPITAL	29.3	29.5	28.5	29.7	29.8	60
RETAINED EARNINGS	15.2	13.8	12.6	11.8	10.4	61
LONG-TERM DEBT: % OF GROSS UTILITY PLANT	33.7	35.8	35.3	35.2	34.9	62
ACCUM PROVISION FOR DEPR: % OF UTILITY PLT	28.3	28.7	27.2	28.0	28.2	63
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	34.9	35.6	37.2	35.5	37.1	64
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	77.9	79.8	78.5	82.5	80.1	65
GAS DEPRECIATION AND AMORTIZATION	3.1	2.8	2.5	2.3	2.4	66
TOTAL INCOME TAXES-GAS, OPERATING	2.9	2.1	3.4	1.3	2.7	67
OTHER TAXES-GAS, OPERATING	8.8	8.5	8.1	8.0	8.0	68
TOTAL GAS OPERATING EXPENSE	92.9	93.4	92.7	94.3	93.3	69
GAS OPERATING INCOME	7.0	6.5	7.2	5.6	6.6	70
INTEREST EXPENSE:						
PRETAX COVERAGE	3.0	3.1	3.3	2.9	2.6	71
NET INCOME-PERCENT OF OPERATING REVENUES	13.9	14.3	13.2	11.4	10.2	72
DIVIDEND APPROPRIATIONS, COMMON STOCK						
% OF EARNINGS AVAILABLE FOR COMMON	66.0	62.5	70.9	55.9	74.8	73
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	13.7	15.6	16.2	16.1	13.6	74

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

LINE NO		1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 104,518,847	$ 108,468,481	$ 103,618,097	$ 86,247,835	$ 70,039,690
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	72,032,195	65,849,396	59,294,449	57,795,986	53,752,322
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	22,810,117	27,535,227	28,203,456	22,460,219	14,110,446
4	INTEREST CAPITALIZED	44,805,668-	52,732,548-	46,522,889-	36,091,814-	28,715,430-
5	OTHER (NET)	3,580,839	9,281,421-	11,390,108	17,274,526	2,611,819-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	158,136,330	139,839,135	155,983,221	147,686,731	106,575,209
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	158,136,330	139,839,135	155,983,221	147,686,731	106,575,209
10	LESS DIVIDENDS: PREFERRED	8,057,705	9,467,448	12,212,814	10,514,708	10,538,000
11	COMMON	63,750,915	61,882,072	64,871,527	42,390,076	36,109,224
12	NET FUNDS FROM INTERNAL SOURCES	86,327,710	68,489,615	78,898,880	94,781,947	59,927,985
	EXTERNAL SOURCES					
13	LONG TERM DEBT	75,000,000	50,000,000	25,000,000	100,000,000	60,500,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	18,828,051	56,905,850	19,530,772	42,939,080	32,824,401
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	40,000,000
17	OTHER (NET)	17,964,927	40,474,218	51,700,000	102,139	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	111,792,978	147,380,068	96,230,772	143,041,219	133,324,401
20	OTHER SOURCES (NET)	30,672,948	13,878,362	10,037,160	1,594,066	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 228,793,636	$ 229,748,045	$ 185,166,812	$ 239,417,232	$ 193,252,386
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 13,151,629	$ 12,315,238	$ 11,434,160	$ 11,493,393	$ 11,336,074
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	-	-	-	-	-
27	OTHER	195,467,993	230,525,355	214,497,110	191,558,271	162,269,531
28	TOTAL GROSS ADDITIONS	208,619,622	242,840,593	225,931,270	203,051,664	173,605,605
29	LESS INTEREST CAPITALIZED	44,805,668	52,732,548	46,522,889	36,091,814	28,715,430
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	163,813,954	190,108,045	179,408,381	166,959,850	144,890,175
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	52,750,000	10,000,000	-	29,667,000	6,000,000
32	PREFERRED STOCK	2,437,500	1,640,000	-	812,500	-
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	-	-	40,000,000	-
35	OTHER (NET)	-	28,000,000	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	55,187,500	39,640,000	-	70,479,500	6,000,000
38	OTHER USES (NET)	9,792,182	-	5,758,431	1,977,882	42,362,211
39						
40						
41	TOTAL FUNDS APPLIED	$ 228,793,636	$ 229,748,045	$ 185,166,812	$ 239,417,232	$ 193,252,386

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO.
		GAS OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 163,813,877 $	161,681,945 $	171,651,153 $	162,077,679 $	147,890,605	1
COMMERCIAL AND INDUSTRIAL	81,452,784	92,404,913	103,035,557	98,187,680	91,156,164	2
OTHER SALES TO PUBLIC AUTHORITIES	12,679,542	13,525,500	15,145,053	14,335,779	12,821,283	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	257,946,203	267,612,358	289,831,763	274,601,138	251,868,052	5
RESALE	-	-	-	-	-	6
TOTAL REVENUES FROM SALES OF GAS	257,946,203	267,612,358	289,831,763	274,601,138	251,868,052	7
OTHER GAS OPERATING REVENUES	3,741,511	1,949,054	1,796,502	1,796,397	1,365,088	8
TOTAL GAS OPERATING REVENUES	$ 261,687,714 $	269,561,412 $	291,628,265 $	276,397,535 $	253,233,140	9
GAS SALES (MCF)						
RESIDENTIAL	25,649,334	25,095,280	25,804,194	23,809,774	26,076,668	10
COMMERCIAL AND INDUSTRIAL	14,498,509	16,574,663	18,058,057	16,671,560	18,102,383	11
OTHER SALES TO PUBLIC AUTHORITIES	2,270,181	2,426,544	2,620,492	2,399,644	2,588,033	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	42,418,115	44,096,487	46,482,744	42,880,988	46,767,086	14
RESALE	-	-	-	-	-	15
TOTAL GAS SALES	42,418,115	44,096,487	46,482,744	42,880,988	46,767,086	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	224,709	220,908	217,583	214,578	212,161	17
COMMERCIAL AND INDUSTRIAL	16,960	16,485	16,106	15,749	15,491	18
OTHER SALES TO PUBLIC AUTHORITIES	999	978	973	972	991	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	242,668	238,371	234,662	231,299	228,643	21
RESALE	-	-	-	-	-	22
TOTAL CUSTOMERS	242,668	238,371	234,662	231,299	228,643	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 729.00	$ 731.90	$ 788.90	$ 755.33	$ 696.13	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	114	114	115	111	123	25
AVERAGE REVENUE PER MCF SOLD	$ 6.39	$ 6.44	$ 6.65	$ 6.81	$ 5.66	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 4,805.47 $	5,605.39 $	6,397.34 $	6,234.53 $	5,884.46	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	855	1,005	1,121	1,059	1,169	28
AVERAGE REVENUE PER MCF SOLD	$ 5.62	$ 5.58	$ 5.71	$ 5.89	$ 5.04	29
		GAS OPERATION AND MAINTENANCE EXPENSES				
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	-	-	-	-	-	31
NATURAL GAS						
PRODUCTION AND GATHERING	4,682	6,539	6,984	6,613	9,067	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	183,235,686	180,686,557	194,875,835	196,433,834	178,999,874	35
OTHER	2,150,558-	5,927,744-	7,335,849-	6,767,496-	13,982,278-	36
TOTAL PRODUCTION EXPENSE	181,089,780	174,765,352	187,546,970	189,671,951	165,017,253	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	-	-	-	-	-	41
DISTRIBUTION EXPENSES	14,633,786	13,572,401	13,476,074	12,870,445	13,881,325	42
CUSTOMER ACCOUNTS EXPENSES	7,609,312	7,906,794	8,811,118	8,083,889	8,377,520	43
SALES EXPENSES	1,723,018	2,177,442	2,776,798	2,473,577	1,516,556	44
ADMINISTRATIVE AND GENERAL EXPENSES	18,885,555	16,807,330	16,578,396	15,020,472	14,153,299	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 203,941,451 $	215,229,322 $	228,989,362 $	228,120,374 $	202,945,953	46
		GAS UTILITY PLANT*				
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 3,055 $	3,055 $	3,055 $	3,055 $	3,055	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	-	-	-	-	-	50
NATURAL GAS PLANT	143,184	138,494	151,871	150,651	150,651	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	242,795,218	232,086,909	221,128,106	210,221,832	201,082,522	56
GENERAL PLANT	1,966,670	1,837,948	2,389,343	2,145,131	1,984,992	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	244,908,927	234,067,206	223,673,175	212,521,469	203,202,020	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	4,596,059	4,088,841	4,281,722	6,065,226	5,012,075	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	249,504,986	238,156,047	227,954,897	218,586,695	208,214,095	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	75,363,313	70,093,929	65,107,550	60,445,848	55,527,957	67
NET GAS UTILITY PLANT	$ 174,141,673 $	168,062,118 $	162,847,347 $	158,140,847 $	152,686,138	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 234,067,206 $	223,673,175 $	212,521,469 $	203,202,020 $	194,108,266	69
ADDITIONS	12,267,766	11,987,762	12,704,403	9,981,382	9,769,260	70
RETIREMENTS	1,422,395	927,871	1,548,730	717,760	679,232	71
TRANSFERS AND ADJUSTMENTS	3,660-	635,860-	3,967-	55,827	3,726	72
PLANT IN SERVICE END OF YEAR	$ 244,908,927 $	234,067,206 $	223,673,175 $	212,521,469 $	203,202,020	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

ROCHESTER GAS AND ELECTRIC CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 261,687,714	$ 269,561,412	$ 291,628,266	$ 276,357,535	$ 253,233,140
2	SALES (MCF)	42,418,115	44,098,487	46,482,744	42,880,988	46,767,055
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 161,085,128	$ 174,758,813	$ 187,539,986	$ 189,666,370	$ 165,007,598
4	WAGES AND BENEFITS	27,222,706	26,115,625	25,086,091	23,849,848	23,252,860
5	OTHER OPERATION AND MAINTENANCE EXPENSES	15,633,617	14,354,884	16,363,285	14,604,148	14,685,497
6	DEPRECIATION AND AMORTIZATION EXPENSES	8,318,630	7,700,458	7,377,226	6,631,685	6,287,386
7	INCOME TAXES - OPERATING	7,773,623	5,883,176	10,199,236	3,844,895	6,947,754
8	OTHER TAXES - OPERATING	23,276,317	23,116,119	23,797,637	22,187,197	20,328,306
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	8,964,054	8,993,329	8,846,628	8,770,641	6,232,646
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	838,393	1,036,454	1,444,866	1,541,988	1,077,504
11	EARNINGS AVAILABLE FOR COMMON EQUITY	8,577,346	7,602,554	10,973,311	5,260,765	9,413,592
12	TOTAL	$ 261,687,714	$ 269,561,412	$ 291,628,266	$ 276,357,535	$ 253,233,140
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	61.6	64.8	64.3	68.6	65.2
14	WAGES AND BENEFITS	10.4	9.7	8.6	8.6	9.2
15	OTHER OPERATION AND MAINTENANCE EXPENSES	6.0	5.3	5.6	5.3	5.8
16	DEPRECIATION AND AMORTIZATION EXPENSES	3.2	2.9	2.5	2.4	2.5
17	INCOME TAXES - OPERATING	3.0	2.2	3.5	1.4	2.7
18	OTHER TAXES - OPERATING	8.9	8.6	8.2	8.0	8.0
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	3.4	3.3	3.0	3.2	2.5
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.3	0.4	0.5	0.6	0.4
21	EARNINGS AVAILABLE FOR COMMON EQUITY	3.3	2.8	3.8	1.9	3.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.80	$ 3.96	$ 4.03	$ 4.42	$ 3.53
24	WAGES AND BENEFITS	0.64	0.59	0.54	0.56	0.50
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.37	0.33	0.35	0.34	0.31
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.20	0.17	0.16	0.15	0.13
27	INCOME TAXES - OPERATING	0.18	0.13	0.22	0.09	0.15
28	OTHER TAXES - OPERATING	0.55	0.52	0.51	0.52	0.43
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.21	0.20	0.19	0.20	0.13
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.02	0.02	0.03	0.04	0.02
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.20	0.17	0.24	0.12	0.20
32	TOTAL	$ 6.17	$ 6.11	$ 6.27	$ 6.44	$ 5.41
33	*STARRED ITEMS ARE ALLOCATED TO GAS OPERATIONS BASED ON THE RATIO OF NET GAS PLANT TO NET TOTAL PLANT LESS NET COMMON PLANT AT DECEMBER 31- STATED AS PERCENTS	10.41	10.97	11.85	13.05	14.23

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

ST LAWRENCE GAS COMPANY, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	GAS UTILITY PLANT	$ 12,372,721	$ 12,065,068	$ 11,812,242	$ 11,657,059	$ 11,446,573
2	ACCUM PROVISION FOR DEPR AND AMORT	4,604,761	4,272,254	3,967,370	3,641,530	3,317,281
3	NET GAS UTILITY PLANT	7,767,960	7,792,814	7,844,872	8,015,529	8,129,292
4	OTHER UTILITY PLANT	-	-	-	-	-
5	ACCUM PROVISION FOR DEPR AND AMORT	-	-	-	-	-
6	NET OTHER UTILITY PLANT	-	-	-	-	-
7	TOTAL UTILITY PLANT	12,372,721	12,065,068	11,812,242	11,657,059	11,446,573
8	ACCUM PROVISION FOR DEPR AND AMORT	4,504,761	4,272,254	3,967,370	3,641,530	3,317,281
9	NET TOTAL UTILITY PLANT	7,767,960	7,792,814	7,844,872	8,015,529	8,129,292
10	NONUTILITY PROPERTY LESS ACCUM PROV FOR DEPRECIATION AND AMORTIZATION	1,363,817	1,281,023	1,192,538	1,120,968	1,008,435
11	INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12	INVESTMENT IN SUBSIDIARY COMPANIES	26,025	26,382	19,872	20,571	20,663
13	OTHER INVESTMENTS	-	-	-	-	-
14	SPECIAL FUNDS	-	-	-	-	-
15	TOTAL OTHER PROPERTY AND INVESTMENTS	1,389,842	1,307,405	1,212,410	1,141,539	1,029,098
16	CASH	335,087	367,361	773,950	58,400	23,613
17	SPECIAL DEPOSITS	1,300	1,300	1,300	1,300	1,300
18	WORKING FUNDS	2,354	2,177	2,077	2,177	2,227
19	TEMPORARY CASH INVESTMENTS	740,000	1,633,000	1,683,000	1,153,000	-
20	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	2,674,888	3,926,470	3,509,708	3,850,814	2,888,463
21	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
22	MATERIALS AND SUPPLIES	159,637	146,047	143,193	138,336	148,053
23	GAS STORED UNDERGROUND-CURRENT	-	-	-	-	-
24	LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25	PREPAYMENTS	253,498	206,732	187,680	186,480	166,609
26	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
27	TOTAL CURRENT AND ACCRUED ASSETS	4,1[illegible],764	6,283,087	6,300,908	5,400,507	3,235,265
28	UNAMORTIZED DEBT EXPENSE	7,653	12,757	17,857	22,959	28,061
29	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30	PREL SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
31	CLEARING ACCOUNTS	-	-	-	-	-
32	DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33	RESEARCH AND DEVELOPMENT	-	-	-	-	-
34	ACCUMULATED DEFERRED INCOME TAXES	193,846	236,091	390,243	252,866	71,095
35	OTHER DEFERRED DEBITS	278,020-	247,880-	671,351-	346,727-	277,818
36	TOTAL DEFERRED DEBITS	76,521-	968	263,251-	70,902-	376,974
37	TOTAL ASSETS AND OTHER DEBITS	$ 13,248,045	$ 15,384,274	$ 15,094,939	$ 14,486,673	$ 12,770,629
	LIABILITIES AND OTHER CREDITS					
38	COMMON STOCK ISSUED	$ 4,350,000	$ 4,350,000	$ 4,350,000	$ 4,350,000	$ 4,350,000
39	PREFERRED STOCK ISSUED	-	-	-	-	-
40	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
43	OTHER PAID-IN CAPITAL	-	-	-	-	-
44	INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45	CAPITAL STOCK EXPENSE	-	-	-	-	-
46	RETAINED EARNINGS	3,562,748	2,961,704	2,545,984	1,731,459	1,167,510
47	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	6,003-	5,646-	2,578-	1,879-	1,787-
48	REACQUIRED CAPITAL STOCK	-	-	-	-	-
49	TOTAL PROPRIETARY CAPITAL	7,906,745	7,306,058	6,893,406	6,079,580	5,515,723
50	BONDS (LESS BONDS REACQUIRED)	1,560,000	1,632,000	1,704,000	1,776,000	1,848,000
51	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52	OTHER LONG-TERM DEBT	-	1,500,000	1,500,000	1,500,000	1,500,000
53	NET UNAMORTIZED PREMIUM + DISCOUNT	-	-	-	-	-
54	TOTAL LONG TERM DEBT	1,560,000	3,132,000	3,204,000	3,276,000	3,348,000
55	NOTES PAYABLE	-	-	-	-	190,863
56	ACCOUNTS PAYABLE	97,952	56,795	67,654	60,809	62,035
57	PAYABLES TO ASSOCIATED COMPANIES	2,258,728	3,559,159	3,555,056	3,791,236	2,883,251
58	CUSTOMER DEPOSITS	102,142	87,677	182,422	90,250	77,072
59	TAXES ACCRUED	51,908	61,884-	100,647	137,904	254,730-
60	INTEREST ACCRUED	5,429	34,129	33,595	32,064	32,530
61	DIVIDENDS DECLARED	108,750	108,750	-	-	-
62	TAX COLLECTIONS PAYABLE	-	-	-	-	-
63	OTHER CURRENT AND ACCRUED LIABILITIES	52,662	59,931	60,054	75,219	71,564
64	TOTAL CURRENT AND ACCRUED LIABILITIES	2,677,571	3,844,557	3,999,428	4,187,472	3,062,585
65	CUSTOMER ADVANCES FOR CONSTRUCTION	8,270	31,392	67,592	118,818	17,818
66	DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67	ACCUM DEFERRED INVESTMENT TAX CREDITS	318,506	314,488	290,550	264,571	254,400
68	OTHER DEFERRED CREDITS	-	-	-	-	-
	ACCUMULATED DEFERRED INCOME TAXES:					
69	ACCELERATED AMORTIZATION	-	-	-	-	-
70	LIBERALIZED DEPRECIATION	629,937	567,486	512,688	443,722	369,488
71	OTHER	22,523	62,857	2,275	550	97,655
72	TOTAL DEFERRED CREDITS	979,235	976,223	873,105	827,661	740,361
73	PROPERTY INSURANCE RESERVE	-	-	-	-	-
74	INJURIES AND DAMAGE RESERVES	125,000	125,000	125,000	115,960	103,960
75	PENSION AND BENEFITS RESERVE	506-	436	-	-	-
76	MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77	TOTAL OPERATING RESERVES	124,494	125,436	125,000	115,960	103,960
78	TOTAL LIABILITIES AND OTHER CREDITS	$ 13,248,045	$ 15,384,274	$ 15,094,939	$ 14,486,673	$ 12,770,629

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

ST LAWRENCE GAS COMPANY, INC

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES $	28,795,888 $	36,862,813 $	38,048,775 $	33,268,372 $	32,545,694	1
OPERATION AND MAINTENANCE EXPENSE	24,884,065	32,692,801	33,450,149	29,387,065	29,268,733	2
DEPRECIATION EXPENSE	348,203	354,497	355,068	311,375	305,142	3
AMORTIZATION	8,822	10,067	9,834	9,960	11,494	4
TAXES OTHER THAN INCOME TAXES	1,861,172	2,120,281	2,175,796	1,989,117	1,934,487	5
INCOME TAXES	635,032	382,060	854,487	802,194	350,752	6
PROVISION FOR DEFERRED INCOME TAXES	378,044	519,757	180,779	121,020	167,742	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	319,082-	286,935-	257,575-	345,424-	217,817-	8
MISC. ADJUSTMENTS OF INCOME TAXES	4,741	4,740	4,739	4,740	8,512-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	27,800,988	35,817,268	36,773,277	32,280,037	31,812,021	12
NET OPERATING REVENUES	994,900	1,045,545	1,275,498	988,335	733,673	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	994,900	1,045,545	1,275,498	988,335	733,673	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	994,900	1,045,545	1,275,498	988,335	733,673	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	-	-	-	-	-	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	219,091	191,436	207,705	233,167	218,120	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	357-	3,068-	699-	92-	550-	21
INTEREST AND DIVIDEND INCOME	83,388	200,615	297,879	116,179	56,950	22
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	23
MISCELLANEOUS NONOPERATING INCOME	-	-	-	-	-	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	302,122	388,983	504,885	349,254	274,520	26
TOTAL INCOME	1,297,022	1,434,528	1,780,383	1,337,589	1,008,193	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	6,207	10,384	14,141	6,802	3,716	28
INCOME TAXES-NONOPERATING	132,632	192,920	236,719	176,143	123,532	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	31
MISCELLANEOUS INCOME DEDUCTIONS	6,535	6,625	6,500	7,500	4,500	32
TOTAL INCOME DEDUCTIONS	145,374	209,929	257,360	190,445	131,748	33
INCOME BEFORE INTEREST CHARGES	1,151,648	1,224,599	1,523,023	1,147,144	876,445	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	83,790	207,570	211,350	215,130	218,910	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	5,102	5,101	5,102	5,102	5,102	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	27,069	55,526	57,745	15,055	57,072	39
TOTAL INTEREST CHARGES	115,961	268,197	274,197	235,287	281,084	40
INCOME BEFORE EXTRAORDINARY ITEMS	1,035,687	956,402	1,248,826	911,857	595,361	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME $	1,035,687 $	956,402 $	1,248,826 $	911,857 $	595,361	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	2,961,704 $	2,545,984 $	1,731,459 $	1,167,510 $	919,599	47
BALANCE TRANSFERRED FROM INCOME	1,036,044	959,470	1,249,525	911,949	595,911	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	50
-COMMON STOCK	435,000	543,750	435,000	348,000	348,000	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	3,562,748	2,961,704	2,545,984	1,731,459	1,167,510	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	6,003-	5,646-	2,578-	1,879-	1,787-	55
TOTAL RETAINED EARNINGS END OF YEAR $	3,556,745 $	2,956,058 $	2,543,406 $	1,729,580 $	1,165,723	56
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	1.56	1.63	1.58	1.29	1.06	57
PERCENT OF CAPITALIZATION:						
LONG-TERM DEBT	16.4	30.0	31.7	35.0	37.7	58
PREFERRED STOCK	-	-	-	-	-	59
COMMON STOCK AND OTHER PAID-IN CAPITAL	45.8	41.6	43.0	46.4	49.0	60
RETAINED EARNINGS	37.6	28.3	25.2	18.5	13.1	61
LONG-TERM DEBT % OF GROSS UTILITY PLANT	12.6	25.9	27.1	28.1	29.2	62
ACCUM PROVISION FOR DEPR % OF UTILITY PLT	37.2	35.4	33.5	31.2	28.9	63
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES % OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	64
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	86.4	88.6	87.9	88.3	89.9	65
GAS DEPRECIATION AND AMORTIZATION	1.2	0.9	0.9	0.9	0.9	66
TOTAL INCOME TAXES-GAS, OPERATING	2.4	1.7	2.0	1.7	0.8	67
OTHER TAXES-GAS, OPERATING	6.4	5.7	5.7	5.9	5.9	68
TOTAL GAS OPERATING EXPENSE	96.5	97.1	96.6	97.0	97.7	69
GAS OPERATING INCOME	3.4	2.8	3.3	2.9	2.2	70
INTEREST EXPENSE						
PRETAX COVERAGE	17.1	7.7	9.3	8.1	4.6	71
NET INCOME-PERCENT OF OPERATING REVENUES	3.5	2.5	3.2	2.7	1.8	72
DIVIDEND APPROPRIATIONS, COMMON STOCK % OF EARNINGS AVAILABLE FOR COMMON	42.0	56.8	34.8	38.1	58.4	73
PERCENT OF AVERAGE COMMON EQUITY EARNINGS AVAILABLE FOR COMMON STOCK	13.6	13.4	19.2	15.7	11.0	74

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ST LAWRENCE GAS COMPANY, INC

LINE NO		1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 1,035,687	$ 956,402	$ 1,248,826	$ 911,857	$ 595,361
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION, AND AMORTIZATION	528,919	523,484	516,930	432,147	433,199
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	68,379	293,470	40,707-	194,471-	1,365
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	942-	436	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	1,632,043	1,773,792	1,725,049	1,149,533	1,029,925
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,632,043	1,773,792	1,725,049	1,149,533	1,029,925
10	LESS DIVIDENDS PREFERRED	-	-	-	-	-
11	COMMON	435,000	543,750	435,000	348,000	348,000
12	NET FUNDS FROM INTERNAL SOURCES	1,197,043	1,230,042	1,290,049	801,533	681,925
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	-
20	OTHER SOURCES (NET)	953,194	43,434	32,104	757,547	279,499
21						
22						
23	TOTAL FUNDS PROVIDED	$ 2,150,237	$ 1,273,476	$ 1,322,153	$ 1,559,080	$ 961,424
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	GAS PLANT	$ 377,123	$ 394,948	$ 247,367	$ 264,945	$ 273,851
25	LIQUEFIED NATURAL GAS PLANT	-	-	-	-	-
26	NON-UTILITY	208,489	212,871	188,238	181,872	147,903
27	OTHER	-	-	-	-	-
28	TOTAL GROSS ADDITIONS	585,612	607,819	435,605	446,817	421,754
29	LESS INTEREST CAPITALIZED	-	-	-	-	-
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	585,612	607,819	435,605	446,817	421,754
	RETIREMENT OF DEBT AND SECURITIES					
31	LONG TERM DEBT	1,572,000	72,000	72,000	72,000	72,000
32	PREFERRED STOCK	-	-	-	-	-
33	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
34	NET DECREASE IN SHORT TERM DEBT	-	-	-	190,863	294,869
35	OTHER (NET)	-	-	-	-	-
36						
37	TOTAL RETIREMENT OF DEBT AND SECURITIES	1,572,000	72,000	72,000	262,863	366,869
38	OTHER USES (NET)	7,375-	593,657	814,548	849,400	172,801
39						
40						
41	TOTAL FUNDS APPLIED	$ 2,150,237	$ 1,273,476	$ 1,322,153	$ 1,559,080	$ 961,424

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

ST LAWRENCE GAS COMPANY, INC

ITEM	1986	1985	1984	1983	1982	LINE NO.
		GAS OPERATING REVENUES				
REVENUES						
RESIDENTIAL	$ 7,125,747	$ 7,464,433	$ 7,552,987	$ 7,901,761	$ 8,485,549	1
COMMERCIAL AND INDUSTRIAL	21,625,924	29,354,670	30,452,301	25,323,569	23,982,671	2
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	28,761,671	36,819,103	38,005,288	33,225,330	32,468,220	5
RESALE	-	-	-	-	-	6
TOTAL REVENUES FROM SALES OF GAS	28,751,671	36,819,103	38,005,288	33,225,330	32,468,220	7
OTHER GAS OPERATING REVENUES	44,217	43,710	43,487	43,042	77,474	8
TOTAL GAS OPERATING REVENUES	$ 28,795,888	$ 36,862,813	$ 38,048,775	$ 33,268,372	$ 32,545,694	9
GAS SALES (MCF)						
RESIDENTIAL	1,429,932	1,375,234	1,353,842	1,276,479	1,309,250	10
COMMERCIAL AND INDUSTRIAL	5,953,514	6,537,017	6,626,167	5,015,833	4,187,517	11
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	7,383,446	7,912,251	7,980,009	6,292,312	5,496,767	14
RESALE	-	-	-	-	-	15
TOTAL GAS SALES	7,383,446	7,912,251	7,980,009	6,292,312	5,496,767	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	9,740	9,556	9,408	9,272	9,166	17
COMMERCIAL AND INDUSTRIAL	1,107	1,075	1,055	1,024	1,001	18
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	10,847	10,631	10,463	10,296	10,167	21
RESALE	-	-	-	-	-	22
TOTAL CUSTOMERS	10,847	10,631	10,463	10,296	10,167	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 731.60	$ 781.13	$ 802.83	$ 852.22	$ 925.76	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	147	144	144	138	143	25
AVERAGE REVENUE PER MCF SOLD	$ 4.98	$ 5.43	$ 5.58	$ 6.19	$ 6.48	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 19,535.61	$ 27,306.67	$ 28,864.74	$ 24,730.05	$ 23,958.71	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	5,378	6,081	6,281	4,898	4,183	28
AVERAGE REVENUE PER MCF SOLD	$ 3.63	$ 4.49	$ 4.60	$ 5.05	$ 5.73	29
		GAS OPERATION AND MAINTENANCE EXPENSES				
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	-	-	-	-	-	31
NATURAL GAS						
PRODUCTION AND GATHERING	-	-	-	-	-	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	-	31,085,800	31,258,933	26,855,610	27,332,854	35
OTHER	22,888,136	322,058-	419,146	765,455	197,437	36
TOTAL PRODUCTION EXPENSE	22,888,136	30,763,742	31,678,079	27,621,065	27,530,291	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	-	-	-	-	-	41
DISTRIBUTION EXPENSES	739,776	704,662	671,190	629,928	586,944	42
CUSTOMER ACCOUNTS EXPENSES	306,445	308,674	300,260	286,210	290,928	43
SALES EXPENSES	117,230	110,060	113,145	105,557	129,771	44
ADMINISTRATIVE AND GENERAL EXPENSES	832,468	806,663	687,479	744,296	730,799	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 24,884,055	$ 32,692,801	$ 33,450,149	$ 29,387,065	$ 29,268,733	46
		GAS UTILITY PLANT*				
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 2,262	$ 2,262	$ 2,262	$ 2,262	$ 2,262	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	-	-	-	-	-	50
NATURAL GAS PLANT	-	-	-	-	-	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	11,598,713	11,336,269	11,182,588	11,060,146	10,847,167	56
GENERAL PLANT	740,486	672,602	626,123	593,558	597,146	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	12,341,461	12,061,133	11,810,973	11,655,966	11,446,575	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	-	-	-	-	-	63
CONSTRUCTION WORK IN PROGRESS	31,260	3,935	1,269	1,093	-	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	12,372,721	12,065,068	11,812,242	11,657,059	11,446,573	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	4,604,761	4,272,254	3,967,370	3,641,530	3,317,281	67
NET GAS UTILITY PLANT	$ 7,767,960	$ 7,792,814	$ 7,844,872	$ 8,015,529	$ 8,129,292	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 12,061,133	$ 11,810,973	$ 11,655,966	$ 11,446,575	$ 11,236,598	69
ADDITIONS	346,424	379,823	247,367	263,851	281,187	70
RETIREMENTS	69,470	134,490	96,742	59,353	71,210	71
TRANSFERS AND ADJUSTMENTS	3,374	4,827	4,382	4,893	-	72
PLANT IN SERVICE END OF YEAR	$ 12,341,461	$ 12,061,133	$ 11,810,973	$ 11,655,966	$ 11,446,573	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

ST. LAWRENCE GAS COMPANY, INC.

LINE NO	ITEM		1986		1985		1984		1983		1982
1	REVENUES	$	28,795,888	$	36,862,813	$	38,048,775	$	33,268,372	$	32,545,694
2	SALES (MCF)		7,383,446		7,912,251		7,980,009		6,292,312		5,496,767
							DOLLAR AMOUNTS				
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$	22,888,136	$	30,763,742	$	31,678,079	$	27,621,065	$	27,530,291
4	WAGES AND BENEFITS		1,388,224		1,361,779		1,203,564		1,184,398		1,133,016
5	OTHER OPERATION AND MAINTENANCE EXPENSES		607,696		567,280		568,506		581,592		605,426
6	DEPRECIATION AND AMORTIZATION EXPENSES		357,025		364,564		364,902		321,335		316,636
7	INCOME TAXES - OPERATING		698,735		639,622		782,430		582,530		292,165
8	OTHER TAXES - OPERATING		1,861,172		2,120,281		2,175,796		1,989,117		1,934,487
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS		115,961		268,197		274,197		235,287		281,084
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
11	EARNINGS AVAILABLE FOR COMMON EQUITY		878,939		777,348		1,001,301		753,048		452,589
12	TOTAL	$	28,795,888	$	36,862,813	$	38,048,775	$	33,268,372	$	32,545,694
							PERCENT OF REVENUES				
13	PURCHASED GAS & OTHER SUPPLY EXPENSE		79.5		83.5		83.3		83.0		84.6
14	WAGES AND BENEFITS		4.8		3.7		3.2		3.6		3.5
15	OTHER OPERATION AND MAINTENANCE EXPENSES		2.1		1.5		1.5		1.7		1.9
16	DEPRECIATION AND AMORTIZATION EXPENSES		1.2		1.0		1.0		1.0		1.0
17	INCOME TAXES - OPERATING		2.4		1.7		2.1		1.8		0.9
18	OTHER TAXES - OPERATING		6.5		5.8		5.7		6.0		5.9
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS		0.4		0.7		0.7		0.7		0.9
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
21	EARNINGS AVAILABLE FOR COMMON EQUITY		3.1		2.1		2.6		2.3		1.4
22	TOTAL		100.0		100.0		100.0		100.0		100.0
							DOLLARS PER MCF				
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$	3.10	$	3.89	$	3.97	$	4.39	$	5.01
24	WAGES AND BENEFITS		0.19		0.17		0.15		0.19		0.21
25	OTHER OPERATION AND MAINTENANCE EXPENSES		0.08		0.07		0.07		0.09		0.11
26	DEPRECIATION AND AMORTIZATION EXPENSES		0.05		0.05		0.05		0.05		0.06
27	INCOME TAXES - OPERATING		0.09		0.08		0.10		0.09		0.05
28	OTHER TAXES - OPERATING		0.25		0.27		0.27		0.32		0.35
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS		0.02		0.03		0.03		0.04		0.05
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
31	EARNINGS AVAILABLE FOR COMMON EQUITY		0.12		0.10		0.13		0.12		0.08
32	TOTAL	$	3.90	$	4.66	$	4.77	$	5.29	$	5.92

*THIS IS A STRAIGHT GAS COMPANY. THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

GAS

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEETS, YEAR ENDED DECEMBER 31

SYRACUSE SUBURBAN GAS COMPANY, INC.

LINE NO. ITEM	1986	1985	1984	1983	1982
ASSETS AND OTHER DEBITS					
1 GAS UTILITY PLANT	$ 7,045,757	$ 6,456,148	$ 5,996,666	$ 5,593,999	$ 5,224,195
2 ACCUM. PROVISION FOR DEPR. AND AMORT.	1,629,698	1,470,517	1,343,903	1,241,804	1,110,459
3 NET GAS UTILITY PLANT	5,416,059	4,985,631	4,652,763	4,352,195	4,113,736
4 OTHER UTILITY PLANT	-	-	-	-	-
5 ACCUM. PROVISION FOR DEPR. AND AMORT.	-	-	-	-	-
6 NET OTHER UTILITY PLANT	-	-	-	-	-
7 TOTAL UTILITY PLANT	7,045,757	6,456,148	5,996,666	5,593,999	5,224,195
8 ACCUM. PROVISION FOR DEPR. AND AMORT.	1,629,698	1,470,517	1,343,903	1,241,804	1,110,459
9 NET TOTAL UTILITY PLANT	5,416,059	4,985,631	4,652,763	4,352,195	4,113,736
10 NONUTILITY PROPERTY LESS ACCUM. PROV. FOR DEPRECIATION AND AMORTIZATION	-	-	-	-	-
11 INVESTMENT IN ASSOCIATED COMPANIES	-	-	-	-	-
12 INVESTMENT IN SUBSIDIARY COMPANIES	-	-	-	-	-
13 OTHER INVESTMENTS	-	-	-	-	-
14 SPECIAL FUNDS	-	-	-	-	-
15 TOTAL OTHER PROPERTY AND INVESTMENTS	-	-	-	-	-
16 CASH	89,380	86,256	76,923	27,248	29,427
17 SPECIAL DEPOSITS	-	-	-	-	-
18 WORKING FUNDS	2,700	2,700	2,700	2,700	2,700
19 TEMPORARY CASH INVESTMENTS	-	-	-	-	-
20 NOTES AND ACCTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	1,336,943	2,292,535	1,984,933	2,521,538	1,234,502
21 RECEIVABLES FROM ASSOCIATED COMPANIES	-	159-	760	2,888	687
22 MATERIALS AND SUPPLIES	182,680	142,188	150,283	159,702	148,917
23 GAS STORED UNDERGROUND-CURRENT	-	-	-	-	-
24 LIQUEFIED NATURAL GAS IN STORAGE	-	-	-	-	-
25 PREPAYMENTS	208,968	154,887	132,264	122,680	110,135
26 OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
27 TOTAL CURRENT AND ACCRUED ASSETS	1,820,671	2,678,407	2,347,863	2,836,756	1,526,368
28 UNAMORTIZED DEBT EXPENSE	19,235	21,825	24,415	27,004	29,594
29 EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
30 PREL. SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
31 CLEARING ACCOUNTS	13,075	2,923-	6,039	4,698-	2,063
32 DEFERRED LOSSES FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
33 RESEARCH AND DEVELOPMENT	-	-	-	-	-
34 ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
35 OTHER DEFERRED DEBITS	278,446-	37,673	191,630	603,014	1,001,644
36 TOTAL DEFERRED DEBITS	246,136-	56,575	222,084	625,320	1,033,301
37 TOTAL ASSETS AND OTHER DEBITS	$ 6,990,594	$ 7,720,613	$ 7,222,710	$ 7,814,272	$ 6,673,405
LIABILITIES AND OTHER CREDITS					
38 COMMON STOCK ISSUED	$ 420,000	$ 420,000	$ 420,000	$ 420,000	$ 420,000
39 PREFERRED STOCK ISSUED	284,225	284,225	284,225	284,225	284,225
40 CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
41 STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
42 PREMIUM ON CAPITAL STOCK	3,701	3,701	3,701	3,701	3,701
43 OTHER PAID-IN CAPITAL	300	300	300	300	300
44 INSTALLMENTS REC'D ON CAPITAL STOCK	-	-	-	-	-
45 CAPITAL STOCK EXPENSE	12,723-	12,723-	12,723-	12,723-	12,723-
46 RETAINED EARNINGS	2,382,193	2,142,416	1,993,506	1,468,443	1,356,869
47 UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-
48 REACQUIRED CAPITAL STOCK	10,325-	10,325-	10,325-	10,325-	10,325-
49 TOTAL PROPRIETARY CAPITAL	3,067,371	2,827,595	2,678,684	2,153,621	2,042,048
50 BONDS (LESS BONDS REACQUIRED)	880,000	953,334	1,046,667	1,140,000	1,150,000
51 ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
52 OTHER LONG-TERM DEBT	-	-	-	-	-
53 NET UNAMORTIZED PREMIUM + DISCOUNT	-	-	-	-	-
54 TOTAL LONG TERM DEBT	880,000	953,334	1,046,667	1,140,000	1,150,000
55 NOTES PAYABLE	700,000	700,000	120,000	600,000	1,010,000
56 ACCOUNTS PAYABLE	1,373,771	2,178,096	1,937,899	2,963,543	1,501,710
57 PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
58 CUSTOMER DEPOSITS	189,586	130,660	88,053	124,409	97,600
59 TAXES ACCRUED	13,445	56,298	47,775	6,039	93,178-
60 INTEREST ACCRUED	16,228	14,355	11,681	11,273	15,377
61 DIVIDENDS DECLARED	-	3,595	3,595	3,595	3,595
62 TAX COLLECTIONS PAYABLE	40,732	49,652	37,918	53,739	36,072
63 OTHER CURRENT AND ACCRUED LIABILITIES	250,231	400,956	790,376	483,064	656,361
64 TOTAL CURRENT AND ACCRUED LIABILITIES	2,563,972	3,533,612	3,037,297	4,245,662	3,227,537
65 CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-
66 DEFERRED GAINS FROM DISPOSITION OF UTILITY PLANT	-	-	-	-	-
67 ACCUM. DEFERRED INVESTMENT TAX CREDITS	223,362	223,714	320,056	134,981	113,817
68 OTHER DEFERRED CREDITS	-	-	-	-	-
ACCUMULATED DEFERRED INCOME TAXES.					
69 ACCELERATED AMORTIZATION	-	144,415	-	-	-
70 LIBERALIZED DEPRECIATION	222,883	37,943	-	-	-
71 OTHER	33,006	-	140,008	140,008	140,004
72 TOTAL DEFERRED CREDITS	479,251	406,072	460,062	274,989	253,821
73 PROPERTY INSURANCE RESERVE	-	-	-	-	-
74 INJURIES AND DAMAGE RESERVES	-	-	-	-	-
75 PENSION AND BENEFITS RESERVE	-	-	-	-	-
76 MISCELLANEOUS OPERATING RESERVES	-	-	-	-	-
77 TOTAL OPERATING RESERVES	-	-	-	-	-
78 TOTAL LIABILITIES AND OTHER CREDITS	$ 6,990,594	$ 7,720,613	$ 7,222,710	$ 7,814,272	$ 6,673,405

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEAR ENDING DECEMBER 31
SELECTED BALANCE SHEET AND INCOME ACCOUNT RELATIONSHIPS

SYRACUSE SUBURBAN GAS COMPANY, INC

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
GAS UTILITY OPERATING INCOME						
OPERATING REVENUES	$ 16,702,570	$ 21,011,694	$ 22,094,829	$ 17,072,736	$ 15,375,318	1
OPERATION AND MAINTENANCE EXPENSE	14,782,080	19,023,525	19,827,268	15,759,785	14,376,028	2
DEPRECIATION EXPENSE	181,530	162,579	152,540	138,372	131,310	3
AMORTIZATION	10,698	7,734	20,093	20,025	20,547	4
TAXES OTHER THAN INCOME TAXES	936,003	1,106,292	1,106,598	875,937	768,570	5
INCOME TAXES	197,862	311,019	69,511	1,787	-	6
PROVISION FOR DEFERRED INCOME TAXES	78,467	47,408	-	-	-	7
INCOME TAXES DEFERRED IN PRIOR YEARS-CR	4,936-	130,826-	-	-	-	8
MISC. ADJUSTMENTS OF INCOME TAXES	-	-	-	-	-	9
GAINS FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	10
LOSSES FROM DISPOSITION OF UTILITY PLT	-	-	-	-	-	11
TOTAL OPERATING EXPENSES	16,181,684	20,527,729	21,176,012	16,795,907	15,296,455	12
NET OPERATING REVENUES	520,886	483,965	918,817	276,829	78,863	13
INCOME FROM GAS PLANT LEASED TO OTHERS	-	-	-	-	-	14
GAS UTILITY OPERATING INCOME	520,886	483,965	918,817	276,829	78,863	15
OTHER UTILITY OPERATING INCOME	-	-	-	-	-	16
TOTAL UTILITY OPERATING INCOME	520,886	483,965	918,817	276,829	78,863	17
OTHER INCOME						
INCOME FROM MERCHANDISING, JOBBING AND CONTRACT WORK	566	1,103	1,704	477	217	18
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	19
NONOPERATING RENTAL INCOME	-	-	-	-	-	20
EQUITY IN EARNINGS OF SUBSIDIARY CO'S	-	-	-	-	-	21
INTEREST AND DIVIDEND INCOME	43,389	80,885	113,213	96,428	115,499	22
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	4,600	23
MISCELLANEOUS NONOPERATING INCOME	147-	147-	147-	147-	147-	24
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	25
TOTAL OTHER INCOME	43,808	81,841	114,770	96,758	120,169	26
TOTAL INCOME	564,694	565,806	1,033,587	373,587	199,032	27
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	28
INCOME TAXES-NONOPERATING	10,073-	8,774-	185,073	21,167-	9,950	29
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	30
MISCELLANEOUS AMORTIZATION	-	-	-	6,135	-	31
MISCELLANEOUS INCOME DEDUCTIONS	3,955	-	-	-	-	32
TOTAL INCOME DEDUCTIONS	6,118-	8,774-	185,073	15,032-	9,950	33
INCOME BEFORE INTEREST CHARGES	570,812	574,580	848,514	388,619	189,082	34
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	97,045	106,816	116,477	117,792	118,352	35
AMORTIZATION OF DEBT DISCOUNT + EXPENSE	2,590	2,590	2,590	2,589	2,590	36
AMORTIZATION OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	37
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	38
OTHER INTEREST EXPENSE	94,616	133,883	64,003	142,285	98,951	39
TOTAL INTEREST CHARGES	194,251	243,289	183,070	262,666	219,893	40
INCOME BEFORE EXTRAORDINARY ITEMS	376,561	331,291	665,444	125,953	30,811-	41
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	42
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	43
INCOME TAXES, EXTRAORDINARY ITEMS	-	-	-	-	-	44
TOTAL EXTRAORDINARY ITEMS	-	-	-	-	-	45
NET INCOME	$ 376,561	$ 331,291	$ 665,444	$ 125,953	$ 30,811-	46
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,142,417	$ 1,993,506	$ 1,468,443	$ 1,356,870	$ 1,465,061	47
BALANCE TRANSFERRED FROM INCOME	376,561	331,291	665,444	125,954	30,811-	48
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	49
DIVIDENDS DECLARED-PREFERRED STOCK	10,785	14,381	14,381	14,381	14,381	50
-COMMON STOCK	126,000	168,000	126,000	-	63,000	51
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	52
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,382,193	2,142,416	1,993,506	1,468,443	1,356,869	53
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	54
UNDISTRIBUTED SUBSIDIARY EARNINGS	-	-	-	-	-	55
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,382,193	$ 2,142,416	$ 1,993,506	$ 1,468,443	$ 1,356,869	56
SELECTED BALANCE SHEET RELATIONSHIPS						
CURRENT ASSETS / BY CURRENT LIABILITIES	0.70	0.78	0.77	0.67	0.47	57
PERCENT OF CAPITALIZATION						
LONG-TERM DEBT	21.8	25.2	28.0	34.8	36.0	58
PREFERRED STOCK	7.2	7.6	7.8	8.6	8.9	59
COMMON STOCK AND OTHER PAID-IN CAPITAL	10.2	10.6	10.7	12.1	12.6	60
RETAINED EARNINGS	60.8	56.6	53.5	44.5	42.5	61
LONG-TERM DEBT % OF GROSS UTILITY PLANT	12.2	14.7	17.4	20.3	22.0	62
ACCUM PROVISION FOR DEPR. % OF UTILITY PLT	23.1	22.7	22.4	22.1	21.2	63
SELECTED INCOME ACCOUNT RELATIONSHIPS						
GAS OPERATING REVENUES						
% OF TOTAL OPERATING REVENUES	100.0	100.0	100.0	100.0	100.0	64
PERCENT OF GAS OPERATING REVENUES						
GAS OPERATION AND MAINTENANCE	88.5	90.5	89.7	92.3	93.5	65
GAS DEPRECIATION AND AMORTIZATION	1.1	0.8	0.7	0.9	0.9	66
TOTAL INCOME TAXES-GAS, OPERATING	1.6	1.0	0.3	-	-	67
OTHER TAXES-GAS, OPERATING	5.6	5.2	5.0	5.1	4.9	68
TOTAL GAS OPERATING EXPENSE	96.9	97.6	95.8	98.3	99.4	69
GAS OPERATING INCOME	3.1	2.3	4.1	1.6	0.5	70
INTEREST EXPENSE						
PRETAX COVERAGE	4.3	3.3	6.0	1.4	0.9	71
NET INCOME-PERCENT OF OPERATING REVENUES	2.2	1.5	3.0	0.7	0.1-	72
DIVIDEND APPROPRIATIONS, COMMON STOCK						
% OF EARNINGS AVAILABLE FOR COMMON	34.4	53.0	19.3	-	139.3-	73
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	13.7	12.8	30.5	6.1	2.3-	74

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

SYRACUSE SUBURBAN GAS COMPANY, INC.

LINE NO.			1986		1985		1984		1983		1982
	FUNDS PROVIDED										
	INTERNAL SOURCES:										
1	INCOME BEFORE EXTRAORDINARY ITEMS	$	376,561	$	331,291	$	665,444	$	125,953	$	30,811-
	NON-CASH CHARGES(CREDITS) TO INCOME										
2	DEPRECIATION, DEPLETION, AND AMORTIZATION		213,923		201,669		187,569		162,414		133,900
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		73,179		53,990-		185,073		21,167		37,764
4	INTEREST CAPITALIZED		-		-		-		-		4,600-
5	OTHER (NET)		316,119		162,919		-		443,681		-
6											
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS		979,782		641,889		1,038,086		753,215		136,253
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES		-		-		-		-		-
9	TOTAL FUNDS FROM INTERNAL SOURCES		979,782		641,889		1,038,086		753,215		136,253
10	LESS DIVIDENDS: PREFERRED		10,785		14,381		14,381		14,381		14,381
11	COMMON		126,000		168,000		126,000		-		63,000
12	NET FUNDS FROM INTERNAL SOURCES		842,997		459,508		897,705		738,834		58,871
	EXTERNAL SOURCES										
13	LONG TERM DEBT		-		-		-		-		-
14	PREFERRED STOCK		-		-		-		-		-
15	COMMON STOCK		-		-		-		-		-
16	NET INCREASE IN SHORT TERM DEBT		-		580,000		-		-		1,010,000
17	OTHER (NET)		-		-		400,647		-		-
18											
19	TOTAL FUNDS FROM EXTERNAL SOURCES		-		580,000		400,647		-		1,010,000
20	OTHER SOURCES (NET)		-		-		-		117,737		-
21											
22											
23	TOTAL FUNDS PROVIDED	$	842,997	$	1,039,508	$	1,298,352	$	856,571	$	1,068,871
	FUNDS APPLIED										
	CONSTRUCTION EXPENDITURES										
	GROSS ADDITIONS:										
24	GAS PLANT	$	657,760	$	531,946	$	485,547	$	400,871	$	308,371
25	LIQUEFIED NATURAL GAS PLANT		-		-		-		-		-
26	NON-UTILITY		-		-		-		-		-
27	OTHER		-		-		-		-		-
28	TOTAL GROSS ADDITIONS		657,760		531,946		485,547		400,871		308,371
29	LESS INTEREST CAPITALIZED		-		-		-		-		4,600
30	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		657,760		531,946		485,547		400,871		303,771
	RETIREMENT OF DEBT AND SECURITIES										
31	LONG TERM DEBT		93,333		-		93,333		10,000		10,000
32	PREFERRED STOCK		-		93,333		-		-		-
33	REDEMPTION OF CAPITAL STOCK		-		-		-		-		-
34	NET DECREASE IN SHORT TERM DEBT		-		-		480,000		410,000		-
35	OTHER (NET)		-		-		-		-		-
36											
37	TOTAL RETIREMENT OF DEBT AND SECURITIES		93,333		93,333		573,333		420,000		10,000
38	OTHER USES (NET)		91,904		414,229		239,472		35,700		755,100
39											
40											
41	TOTAL FUNDS APPLIED	$	842,997	$	1,039,508	$	1,298,352	$	856,571	$	1,068,871

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

SYRACUSE SUBURBAN GAS COMPANY, INC

ITEM	1986	1985	1984	1983	1982	LINE NO.
	GAS OPERATING REVENUES					
REVENUES						
RESIDENTIAL	$ 2,370,217	$ 2,269,277	$ 2,552,242	$ 2,434,680	$ 1,887,422	1
COMMERCIAL AND INDUSTRIAL	13,855,596	18,672,394	19,444,671	14,546,178	13,402,822	2
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	3
INTERDEPARTMENTAL	-	-	-	-	-	4
TOTAL REVENUES FROM ULTIMATE CONSUMERS	16,225,813	20,941,671	21,996,913	16,980,858	15,290,244	5
RESALE	41,443	32,888	49,130	42,556	39,169	6
TOTAL REVENUES FROM SALES OF GAS	16,267,256	20,974,559	22,046,043	17,023,414	15,329,413	7
OTHER GAS OPERATING REVENUES	435,312	37,136	48,786	49,322	45,905	8
TOTAL GAS OPERATING REVENUES	$ 16,702,568	$ 21,011,695	$ 22,094,829	$ 17,072,736	$ 15,375,318	9
GAS SALES (MCF)						
RESIDENTIAL	408,987	396,330	421,539	405,866	436,398	10
COMMERCIAL AND INDUSTRIAL	3,019,300	4,094,375	4,027,588	2,880,085	3,180,187	11
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	12
INTERDEPARTMENTAL	-	-	-	-	-	13
TOTAL SALES TO ULTIMATE CONSUMERS	3,428,288	4,490,705	4,449,127	3,285,951	3,616,585	14
RESALE	10,299	7,638	11,023	9,175	9,625	15
TOTAL GAS SALES	3,438,587	4,498,343	4,460,150	3,295,126	3,626,210	16
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
RESIDENTIAL	3,190	3,132	3,141	3,155	3,115	17
COMMERCIAL AND INDUSTRIAL	992	935	914	902	882	18
OTHER SALES TO PUBLIC AUTHORITIES	-	-	-	-	-	19
INTERDEPARTMENTAL	-	-	-	-	-	20
TOTAL ULTIMATE CONSUMERS	4,182	4,067	4,055	4,057	3,997	21
RESALE	1	1	1	1	1	22
TOTAL CUSTOMERS	4,183	4,068	4,056	4,058	3,998	23
GAS OPERATING REVENUE RELATIONSHIPS						
RESIDENTIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 743.01	$ 724.55	$ 812.56	$ 771.69	$ 606.91	24
AVERAGE MCF CONSUMPTION PER CUSTOMER	128	127	134	129	140	25
AVERAGE REVENUE PER MCF SOLD	$ 5.80	$ 5.73	$ 6.06	$ 6.00	$ 4.33	26
COMMERCIAL AND INDUSTRIAL SALES						
AVERAGE ANNUAL BILL PER CUSTOMER	$ 13,967.33	$ 19,970.47	$ 21,274.26	$ 16,126.58	$ 15,195.94	27
AVERAGE MCF CONSUMPTION PER CUSTOMER	3,044	4,379	4,407	3,194	3,606	28
AVERAGE REVENUE PER MCF SOLD	$ 4.59	$ 4.56	$ 4.83	$ 5.05	$ 4.21	29
	GAS OPERATION AND MAINTENANCE EXPENSES					
PRODUCTION EXPENSES						
MANUFACTURED GAS						
STEAM	-	-	-	-	-	30
MANUFACTURED GAS	-	-	-	-	-	31
NATURAL GAS						
PRODUCTION AND GATHERING	1,046	-	-	-	-	32
EXPLORATION AND DEVELOPMENT						33
OTHER GAS SUPPLY EXPENSES						34
PURCHASED GAS	13,714,649	17,968,478	18,864,877	14,953,734	13,571,401	35
OTHER	4,358-	4,844-	5,036-	4,437-	4,154-	36
TOTAL PRODUCTION EXPENSE	13,711,337	17,963,634	18,859,841	14,949,297	13,567,247	37
NATURAL GAS STORAGE EXPENSES						
UNDERGROUND STORAGE EXPENSES	-	-	-	-	-	38
OTHER STORAGE EXPENSES	-	-	-	-	-	39
TOTAL NATURAL GAS STORAGE EXPENSE	-	-	-	-	-	40
TRANSMISSION EXPENSES	-	-	-	-	-	41
DISTRIBUTION EXPENSES	419,704	425,449	368,924	304,379	279,984	42
CUSTOMER ACCOUNTS EXPENSES	149,188	144,683	128,249	135,254	122,676	43
SALES EXPENSES	25,100	24,760	26,624	25,302	22,697	44
ADMINISTRATIVE AND GENERAL EXPENSES	476,731	464,999	443,629	345,553	383,224	45
TOTAL GAS OPERATION/MAINTENANCE EXPENSES	$ 14,782,060	$ 19,023,525	$ 19,827,268	$ 15,759,785	$ 14,376,028	46
	GAS UTILITY PLANT*					
GAS UTILITY PLANT						
GAS PLANT IN SERVICE						47
INTANGIBLE PLANT	$ 3,333	$ 3,333	$ 3,333	$ 3,333	$ 3,333	48
PRODUCTION PLANT						49
MANUFACTURED GAS PLANT	-	-	-	-	-	50
NATURAL GAS PLANT	124,164	131,778	139,543	153,164	173,189	51
NATURAL GAS STORAGE PLANT						52
UNDERGROUND STORAGE PLANT	-	-	-	-	-	53
OTHER STORAGE PLANT	-	-	-	-	-	54
TRANSMISSION PLANT	-	-	-	-	-	55
DISTRIBUTION PLANT	6,066,392	5,529,539	5,029,876	4,767,058	4,315,521	56
GENERAL PLANT	838,231	770,766	714,661	635,284	584,071	57
GAS PLANT PURCHASED OR SOLD	-	-	-	-	-	58
EXPERIMENTAL GAS PLANT UNCLASSIFIED	-	-	-	-	-	59
GAS STORED UNDERGROUND NON-CURRENT	-	-	-	-	-	60
TOTAL GAS PLANT IN SERVICE	7,031,110	6,435,416	5,887,413	5,559,639	5,076,115	61
PLANT LEASED TO OTHERS	-	-	-	-	-	62
PLANT HELD FOR FUTURE USE	8,898	8,898	8,898	8,898	8,898	63
CONSTRUCTION WORK IN PROGRESS	5,749	11,835	100,356	25,462	139,180	64
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	65
TOTAL GAS UTILITY PLANT	7,045,757	6,456,149	5,996,666	5,593,999	5,224,196	66
ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION	1,629,698	1,470,517	1,343,903	1,241,804	1,110,459	67
NET GAS UTILITY PLANT	$ 5,416,059	$ 4,985,631	$ 4,652,763	$ 4,352,195	$ 4,113,736	68
PLANT IN SERVICE BEGINNING OF YEAR	$ 6,435,416	$ 5,887,413	$ 5,559,639	$ 5,076,117	$ 4,720,193	69
ADDITIONS	668,938	633,475	475,939	534,973	481,559	70
RETIREMENTS	73,244	85,472	118,164	51,451	125,637	71
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	72
PLANT IN SERVICE END OF YEAR	$ 7,031,110	$ 6,435,415	$ 5,887,412	$ 5,559,639	$ 5,076,117	73

*EXCLUDES ALLOCATION OF COMMON PLANT

MAJOR PRIVATELY OWNED UTILITIES PROVIDING GAS SERVICE IN THE STATE OF NEW YORK

DISTRIBUTION OF GAS REVENUES

YEARS ENDED DECEMBER 31

SYRACUSE SUBURBAN GAS COMPANY, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 16,702,570	$ 21,011,694	$ 22,094,829	$ 17,072,736	$ 15,375,318
2	SALES (MCF)	3,438,587	4,498,343	4,460,150	3,295,726	3,626,210
				DOLLAR AMOUNTS		
3	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 13,710,291	$ 17,963,634	$ 18,859,841	$ 14,949,297	$ 13,567,247
4	WAGES AND BENEFITS	594,124	571,423	529,402	488,871	440,996
5	OTHER OPERATION AND MAINTENANCE EXPENSES	477,645	488,468	438,025	323,617	367,785
6	DEPRECIATION AND AMORTIZATION EXPENSES	192,228	170,313	172,633	158,397	151,857
7	INCOME TAXES - OPERATING	271,393	227,601	69,511	1,787	-
8	OTHER TAXES - OPERATING	936,003	1,106,292	1,106,593	875,937	768,570
9	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	194,251	243,259	183,070	262,666	215,293
10	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	10,785	14,381	14,381	14,381	14,381
11	EARNINGS AVAILABLE FOR COMMON EQUITY	315,850	226,295	721,366	218-	150,811-
12	TOTAL	$ 16,702,570	$ 21,011,694	$ 22,094,829	$ 17,072,736	$ 15,375,318
				PERCENT OF REVENUES		
13	PURCHASED GAS & OTHER SUPPLY EXPENSE	82.1	85.5	85.4	87.6	88.2
14	WAGES AND BENEFITS	3.6	2.7	2.4	2.9	2.9
15	OTHER OPERATION AND MAINTENANCE EXPENSES	2.9	2.3	2.0	1.9	2.4
16	DEPRECIATION AND AMORTIZATION EXPENSES	1.2	0.8	0.8	0.9	1.0
17	INCOME TAXES - OPERATING	1.6	1.1	0.3	-	-
18	OTHER TAXES - OPERATING	5.6	5.3	5.0	5.1	5.0
19	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	1.2	1.2	0.8	1.5	1.4
20	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.1	0.1	0.1	0.1	0.1
21	EARNINGS AVAILABLE FOR COMMON EQUITY	1.9	1.1	3.3	-	0.9-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER MCF		
23	PURCHASED GAS & OTHER SUPPLY EXPENSE	$ 3.99	$ 3.99	$ 4.23	$ 4.54	$ 3.74
24	WAGES AND BENEFITS	0.17	0.13	0.12	0.15	0.12
25	OTHER OPERATION AND MAINTENANCE EXPENSES	0.14	0.11	0.10	0.10	0.10
26	DEPRECIATION AND AMORTIZATION EXPENSES	0.06	0.04	0.04	0.05	0.04
27	INCOME TAXES - OPERATING	0.08	0.05	0.02	-	-
28	OTHER TAXES - OPERATING	0.27	0.25	0.25	0.27	0.21
29	*INTEREST CHARGES - NET OF AFC ON BORROWED FUNDS	0.06	0.05	0.04	0.08	0.06
30	*PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.09	0.05	0.16	-	0.04-
32	TOTAL	$ 4.86	$ 4.67	$ 4.95	$ 5.18	$ 4.24

*THIS IS A STRAIGHT GAS COMPANY, THEREFORE, NO ALLOCATION OF STARRED ITEMS IS NECESSARY

SECTION III.

TELEPHONE SERVICE COMPANIES

Balance Sheets

Income Statements

Statements of Changes in Financial Position

Statements of Revenue, Plant, and Operation and Maintenance

Distribution of Telephone Revenues

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ADDISON HOME TELEPHONE COMPANY

LINE NO. ITEM	1986	1985	1984	1983	1982
		ASSETS AND OTHER DEBITS			
1 TELEPHONE PLANT	$ 4 038 894	$ 3 955 911	$ 3 398 156	$ [illegible]	$ [illegible]
2 ACCUMULATED PROVISION FOR DEPR+AMORT	1 455 210	1 320 655	1 417 928	[illegible]	[illegible]
3 NET TELEPHONE PLANT	2 583 684	2 635 266	1 980 228	[illegible]	[illegible]
4 INVESTMENTS IN AFFILIATED COMPANIES	-	-			
5 ADVANCES TO AFFILIATED COMPANIES	-	-			
6 MISCELLANEOUS PHYSICAL PROPERTY	-	-			
7 OTHER INVESTMENTS AND FUNDS	-	-			
8 TOTAL INVESTMENTS AND FUNDS	-	-	-		
9 CASH AND WORKING FUNDS	2 831	7 784	6 550	[illegible]	[illegible]
10 SPECIAL CASH DEPOSITS	50	50	50	50	50
11 TEMPORARY CASH INVESTMENTS	284 343	82 585	462 487	423 934	442 934
12 NOTES+ACCTS REC FROM AFFILIATED CO'S	81 099	790		2 353	2 834
13 OTHER NOTES AND ACCOUNTS RECEIVABLE	150 392	172 197	118 923	13 434	25 247
14 DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL. ACCOUNTS	167 216	142 838	109 413	136 285	88 846
15 MATERIALS AND SUPPLIES*	31 600	33 952	25 414	[illegible]	[illegible]
16 PREPAYMENTS	83 170	49 400	48 652	42 886	[illegible]
17 OTHER CURRENT AND ACCRUED ASSETS	491 272	415 227	354 287	287 330	249 584
18 TOTAL CURRENT AND ACCRUED ASSETS	1 271 873	904 581	1 127 700	983 279	[illegible]
19 UNAMORTIZED DEBT DISCOUNT AND EXPENSE	21 588	22 202	23 318	24 434	25 549
20 EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	
21 RESEARCH AND DEVELOPMENT	-	-			
22 OTHER DEFERRED DEBITS	-	-		[illegible]	928
23 TOTAL DEFERRED DEBITS	21 588	22 202	23 318	[illegible]	26 477
24 TOTAL ASSETS AND OTHER DEBITS	$ 3 876 843	$ 3 562 039	$ 3 131 246	$ [illegible]	$ [illegible]
		LIABILITIES AND OTHER CREDITS			
25 COMMON CAPITAL STOCK	$ 241 000	$ 241 000	$ 241 000	$ 241 000	$ 241 000
26 PREFERRED CAPITAL STOCK	-		-		
27 STOCK LIABILITY FOR CONVERSION			-		
28 PREMIUM ON CAPITAL STOCK	21 500	21 500	21 500	21 500	21 500
29 CAPITAL STOCK SUBSCRIBED	-	-	-		
30 INSTALLMENTS RECEIVED ON CAPITAL STOCK		-			
31 OTHER PAID-IN CAPITAL		-			
32 CAPITAL STOCK EXPENSE		-			
33 RETAINED EARNINGS	928 717	787 445	659 955	[illegible]	[illegible]
34 TOTAL PROPRIETARY CAPITAL	1 190 717	1 049 445	921 955	[illegible]	[illegible]
35 BONDS LESS BONDS REACQUIRED	1 796 187	1 682 166	1 812 357	[illegible]	[illegible]
36 ADVANCES FROM AFFILIATED COMPANIES		-	-	-	
37 OTHER LONG-TERM DEBT	-	-	-		
38 TOTAL LONG-TERM DEBT	1 796 187	1 682 166	1 812 357	[illegible]	[illegible]
39 NOTES+ACCTS PAY TO AFFILIATED CO'S	66 147	33 962	28 269	[illegible]	[illegible]
40 OTHER NOTES AND ACCOUNTS PAYABLE	213 090	332 161	186 289	[illegible]	[illegible]
41 CUSTOMERS DEPOSITS		-	15 196	[illegible]	[illegible]
42 ADVANCE BILLING AND PAYMENTS	39 368	32 634	28 825	[illegible]	[illegible]
43 TAXES ACCRUED	3 273	3 782	4 327	[illegible]	[illegible]
44 OTHER CURRENT AND ACCRUED LIABILITIES	67 903	34 705	43 964	[illegible]	[illegible]
45 TOTAL CURRENT AND ACCRUED LIABILITIES	389 781	436 830	330 874	[illegible]	[illegible]
46 UNAMORTIZED PREMIUM ON DEBT	-	-			
47 ACCUM. DEFERRED INVESTMENT TAX CREDITS	149 920	161 208	177 984	[illegible]	[illegible]
48 OTHER DEFERRED CREDITS	113				
49 TOTAL DEFERRED CREDITS	150 033	161 208	177 984	[illegible]	[illegible]
50 OPERATING RESERVES		-			
51 ACCUMULATED DEFERRED INCOME TAXES	350 125	232 390	187 [illegible]	[illegible]	[illegible]
52 TOTAL LIABILITIES AND OTHER CREDITS	$ 3 876 843	$ 3 562 039	$ 3 131 246	$ [illegible]	$ [illegible]
		SELECTED BALANCE SHEET RELATIONSHIPS			
53 CURRENT ASSETS/CURRENT LIABILITIES	3.26	2.07	3.41	[illegible]	[illegible]
PERCENT OF CAPITALIZATION					
54 LONG-TERM DEBT	60.1	61.6	66.3	[illegible]	[illegible]
55 PREFERRED STOCK	-		-		
56 COMMON STOCK+OTHER PAID-IN CAPITAL	8.8	9.6	9.6	[illegible]	[illegible]
57 RETAINED EARNINGS	31.1	28.8	24.1	[illegible]	[illegible]
LONG-TERM DEBT					
58 PERCENT OF GROSS TELEPHONE PLANT	44.5	42.5	53.3	[illegible]	[illegible]
59 ACCUMULATED PROVISION FOR DEPR+AMORT - PERCENT OF TELEPHONE PLANT	36.0	33.4	41.7	[illegible]	[illegible]

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124).

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

ADDISON HOME TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,466,213	$ 1,307,516	$ 1,253,704	$ 1,246,160	$ 1,154,085	1
OPERATION AND MAINTENANCE EXPENSE	763,439	766,950	731,877	710,058	654,623	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	188,365	170,854	165,009	129,568	125,041	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	156,541	143,744	140,132	168,378	174,852	6
INCOME TAXES-OPERATING	64,110	8,147-	22,184	34,579	43,909	7
OPERATING INCOME TAXES DEFERRED	73,340	80,760	50,359	36,620	29,273	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	2,408-	-	1,846-	10,028-	3,578-	9
TOTAL OPERATING EXPENSES	1,243,387	1,154,161	1,107,715	1,069,175	1,024,120	10
TOTAL TELEPHONE OPERATING INCOME	222,826	153,355	145,989	176,985	129,965	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	13,168	32,036	44,773	35,641	35,602	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	10,925	9,348	3,630	7,986	7,849	17
TOTAL OTHER INCOME	24,093	41,384	48,403	43,627	43,451	18
TOTAL INCOME	246,919	194,739	194,392	220,612	173,416	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	746	-	20,378	16,297	16,040	21
MISCELLANEOUS INCOME CHARGES	26,054	9,948	4,525	39,315	2,310-	22
TOTAL INCOME DEDUCTIONS	26,800	9,948	24,903	55,612	13,730	23
INCOME BEFORE INTEREST CHARGES	220,119	184,791	169,489	165,000	159,686	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	63,628	56,023	55,416	56,850	58,184	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	1,116	1,116	1,116	1,116	1,116	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	7,102	7,162	6,475	4,428	2,920	29
TOTAL INTEREST CHARGES	71,846	64,301	63,007	62,394	62,220	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	148,273	120,490	106,482	102,606	97,466	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	7,333-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	7,333-	-	35
NET INCOME	$ 148,273	$ 120,490	$ 106,482	$ 95,273	$ 97,466	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 780,444	$ 659,955	$ 602,073	$ 604,000	$ 506,534	37
BALANCE TRANSFERRED FROM INCOME	148,273	120,490	106,482	95,273	97,466	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	-	-	48,600	97,200	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	928,717	780,445	659,955	602,073	604,000	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 928,717	$ 780,445	$ 659,955	$ 602,073	$ 604,000	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	52.0	58.6	58.3	56.9	56.7	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	12.8	13.0	13.1	10.3	10.8	49
TOTAL INCOME TAXES-OPERATING	9.2	5.6	5.6	4.9	6.0	50
OTHER TAXES-OPERATING	10.6	10.9	11.1	13.5	15.1	51
TOTAL OPERATING EXPENSES	84.8	88.2	88.3	85.7	88.7	52
OPERATING INCOME	15.1	11.7	11.6	14.2	11.2	53
INTEREST EXPENSE						
PRETAX COVERAGE	4.8	3.9	4.1	3.8	3.8	54
NET INCOME-PERCENT OF OPERATING REVENUES	10.1	9.2	8.4	7.6	8.4	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	-	-	45.6	102.0	-	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	13.2	12.2	11.8	10.9	11.8	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ADDISON HOME TELEPHONE COMPANY

LINE NO.	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 148,273	$ 120,490	$ 106,482	$ 95,273	$ 97,466
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	208,949	188,013	181,437	148,055	140,525
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	60,139	133,631	52,397	20,813	49,944
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	417,361	442,134	340,316	264,141	287,935
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	417,361	442,134	340,316	264,141	287,935
10	LESS DIVIDENDS PREFERRED	-	-	-	-	-
11	COMMON	-	-	48,600	97,200	-
12	NET FUNDS FROM INTERNAL SOURCES	417,361	442,134	291,716	166,941	287,935
	EXTERNAL SOURCES					
13	LONG TERM DEBT	113,029	68,817	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	113,029	68,817	-	-	-
20	OTHER SOURCES (NET)	13,061	334,970	43,894	22,949	26,633
21						
22						
23	TOTAL FUNDS PROVIDED	$ 543,451	$ 845,921	$ 335,610	$ 189,890	$ 314,568
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 162,631	$ 845,921	$ 156,769	$ 95,974	$ 145,692
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	162,631	845,921	156,769	95,974	145,692
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	162,631	845,921	156,769	95,974	145,692
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	-	52,773	51,371	46,944
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	-	52,773	51,371	46,944
37	OTHER USES (NET)	380,820	-	126,068	42,545	121,932
38						
39						
40	TOTAL FUNDS APPLIED	$ 543,451	$ 845,921	$ 335,610	$ 189,890	$ 314,568

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT

YEARS ENDING DECEMBER 31

ADDISON HOME TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 361,318	$ 347,096	$ 337,973	$ 332,724	$ 328,745	1
ACCESS REVENUES	508,062	385,720				2
TOLL REVENUES	481,163	491,697	868,909	871,491	792,414	3
MISCELLANEOUS REVENUES	118,702	113,313	49,125	44,259	34,680	4
UNCOLLECTIBLE REVENUES-DR	3,032	10,310	2,303	2,314	1,754	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,466,213	$ 1,307,516	$ 1,253,704	$ 1,246,160	$ 1,154,085	6
TELEPHONE ACCESS LINES IN SERVICE	2,728	2,673	2,607	2,579	2,563	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 133.65	$ 131.33	$ 130.34	$ 129.41	$ 128.27	8
ACCESS REVENUE	187.93	141.04				9
TOLL REVENUE	177.98	186.04	335.10	338.97	309.17	10

*YEAR END AVERAGE

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 222,614	$ 198,894	$ 195,299	$ 188,866	$ 204,292	11
DEPRECIATION + AMORTIZATION EXPENSES	188,365	170,854	165,009	129,568	125,041	12
TRAFFIC EXPENSES	36,984	62,850	52,135	10,574	13,264	13
COMMERCIAL EXPENSES	43,673	36,033	39,759	41,582	21,892	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	277,692	290,902	278,018	298,099	281,089	16
OTHER OPERATING EXPENSES	182,476	178,271	166,666	170,937	134,088	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 951,804	$ 937,804	$ 896,886	$ 839,626	$ 779,664	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 4,032,561	$ 3,939,407	$ 3,383,354	$ 3,264,348	$ 3,178,264	19
PLANT UNDER CONSTRUCTION	6,333	16,504	4,802	8,733	2,785	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	28,837	23
TOTAL TELEPHONE UTILITY PLANT	4,038,894	3,955,911	3,388,156	3,273,081	3,209,886	24
ACCUMULATED PROVISION FOR DEPR+AMORT	1,455,210	1,320,655	1,407,828	1,261,516	1,138,794	25
NET TELEPHONE PLANT	$ 2,583,684	$ 2,635,256	$ 1,980,328	$ 2,011,565	$ 2,071,092	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 3,939,407	$ 3,383,354	$ 3,264,348	$ 3,178,264	$ 3,045,991	27
ADDITIONS	172,802	834,219	160,700	118,968	145,432	28
RETIREMENTS	79,648	278,166	41,694	32,778	13,159	29
TRANSFERS AND ADJUSTMENTS	-	-	-	106-	-	30
PLANT IN SERVICE END OF YEAR	$ 4,032,561	$ 3,939,407	$ 3,383,354	$ 3,264,348	$ 3,178,264	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

ADDISON HOME TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 1,466,213	$ 1,307,516	$ 1,253,704	$ 1,246,160	$ 1,154,085
2	ACCESS LINES (AVERAGE*)	2,704	2,643	2,593	2,571	2,563
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 267,228	$ 332,639	$ 337,157	$ 372,695	$ 265,164
4	OTHER OPERATION AND MAINTENANCE EXPENSES	496,211	434,311	394,720	337,363	389,459
5	DEPRECIATION AND AMORTIZATION EXPENSES	188,365	170,854	165,009	129,568	125,041
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	135,042	72,613	70,697	61,171	69,604
8	OTHER TAXES - OPERATING	156,541	143,744	140,132	168,378	174,852
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	71,846	64,301	63,007	62,394	62,220
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	150,980	89,054	82,982	114,591	67,745
12	TOTAL	$ 1,466,213	$ 1,307,516	$ 1,253,704	$ 1,246,160	$ 1,154,085
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	18.2	25.4	26.9	29.9	23.0
14	OTHER OPERATION AND MAINTENANCE EXPENSES	33.8	33.2	31.5	27.1	33.7
15	DEPRECIATION AND AMORTIZATION EXPENSES	12.8	13.1	13.2	10.4	10.8
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	9.2	5.6	5.6	4.9	6.0
18	OTHER TAXES - OPERATING	10.7	11.0	11.2	13.5	15.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.9	4.9	5.0	5.0	5.4
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	10.3	6.8	6.6	9.2	5.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 8.24	$ 10.49	$ 10.84	$ 12.08	$ 8.62
24	OTHER OPERATION AND MAINTENANCE EXPENSES	15.30	13.69	12.69	10.93	12.66
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.81	5.39	5.30	4.20	4.07
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	4.16	2.29	2.27	1.98	2.26
28	OTHER TAXES - OPERATING	4.83	4.53	4.50	5.46	5.69
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.21	2.03	2.02	2.02	2.02
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	4.65	2.81	2.67	3.71	2.20
32	TOTAL	$ 45.19	$ 41.23	$ 40.29	$ 40.39	$ 37.52

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ALLTEL NEW YORK, INC.

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 116,755,917	$ 118,884,852	$ 111,809,182	$ 107,870,014	$ 104,058,302
2	ACCUMULATED PROVISION FOR DEPR+AMORT	35,901,633	41,337,057	37,301,068	33,416,669	30,094,484
3	NET TELEPHONE PLANT	80,854,284	77,547,795	74,508,114	74,453,345	73,963,818
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	634,013	587,812	521,929	367,022	66,031
7	OTHER INVESTMENTS AND FUNDS	868,347	1,050,910	803,820	499,749	-
8	TOTAL INVESTMENTS AND FUNDS	1,502,360	1,638,722	1,325,749	866,771	66,031
9	CASH AND WORKING FUNDS	133,510	20,167	259,814	462,323	309,961
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	624,388	205,656	142,480	23,523	118,278
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	3,655,545	4,721,411	4,374,780	974,764	362,499
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	3,721,903	3,802,092	4,242,217	3,902,225	3,684,564
15	MATERIALS AND SUPPLIES*	1,101,443	1,102,506	1,148,573	1,035,135	524,975
16	PREPAYMENTS	659,359	679,154	758,426	763,006	660,734
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	9,896,148	10,530,986	10,926,290	7,160,976	5,661,001
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	180,142	213,250	250,731	286,152	267,586
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	70,822	118,824	315,513	446,658	324,501
23	TOTAL DEFERRED DEBITS	250,964	332,074	566,244	732,810	592,087
24	TOTAL ASSETS AND OTHER DEBITS	92,503,756	$ 90,049,577	$ 87,326,397	$ 83,213,902	$ 80,282,937
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 16,645,493	$ 16,645,493	$ 16,645,493	$ 16,645,493	$ 16,645,493
26	PREFERRED CAPITAL STOCK	3,950,000	4,200,000	4,450,000	4,700,000	4,950,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	4,548,000	4,548,000	4,550,605	4,548,000	4,548,000
32	CAPITAL STOCK EXPENSE	39,075-	41,680-	46,890-	46,890-	49,495-
33	RETAINED EARNINGS	14,594,429	14,049,198	12,523,283	11,501,231	10,548,987
34	TOTAL PROPRIETARY CAPITAL	39,698,847	39,401,011	38,122,491	37,347,834	36,642,985
35	BONDS(LESS BONDS REACQUIRED)	24,560,000	29,416,700	31,291,850	32,810,501	32,326,650
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	24,560,000	29,416,700	31,291,850	32,810,501	32,326,650
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	9,791,350	3,386,323	5,119,205	1,106,800	1,162,664
40	OTHER NOTES AND ACCOUNTS PAYABLE	3,084,982	3,778,903	447,697	993,944	844,595
41	CUSTOMERS'DEPOSITS	114,962	117,735	-	164,943	136,145
42	ADVANCE BILLING AND PAYMENTS	811,039	772,044	1,041,806	909,755	851,364
43	TAXES ACCRUED	431,135	542,250	512,101	18,345	313,702
44	OTHER CURRENT AND ACCRUED LIABILITIES	1,663,775	1,562,357	1,461,435	1,420,312	1,177,497
45	TOTAL CURRENT AND ACCRUED LIABILITIES	15,897,243	10,159,612	8,582,244	4,614,099	4,485,967
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	4,087,753	3,619,945	3,272,195	2,854,863	2,341,882
48	OTHER DEFERRED CREDITS	455,076	415,669	259,953	277,381	-
49	TOTAL DEFERRED CREDITS	4,542,829	4,035,614	3,532,148	3,132,244	2,341,882
50	OPERATING RESERVES	495,714	566,380	536,714	979,237	950,638
51	ACCUMULATED DEFERRED INCOME TAXES	7,309,123	6,470,280	5,260,950	4,329,987	3,534,815
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 92,503,756	$ 90,049,577	$ 87,326,397	$ 83,213,902	$ 80,282,937
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	0.62	1.04	1.27	1.56	1.26
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	38.2	42.7	45.0	46.7	46.8
55	PREFERRED STOCK	6.1	6.1	6.4	6.6	7.1
56	COMMON STOCK+OTHER PAID-IN CAPITAL	32.9	30.7	30.4	30.1	30.6
57	RETAINED EARNINGS	22.7	20.4	18.0	16.3	15.2
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	21.0	24.7	27.9	30.4	31.0
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	30.7	34.7	33.3	30.9	28.9

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

ALLTEL NEW YORK, INC

ITEM	1986	1985	1984	1983	1982	LINE NO
	COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS					
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 43,201,793	$ 42,997,510	$ 39,474,530	$ 36,914,363	$ 34,252,163	1
OPERATION AND MAINTENANCE EXPENSE	16,533,461	16,335,516	17,274,387	16,470,081	14,312,409	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	6,965,825	7,110,434	7,044,124	6,297,160	5,469,866	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	4,909,660	4,976,540	5,117,850	4,875,366	4,430,033	6
INCOME TAXES-OPERATING	4,662,595	4,664,376	2,609,768	1,895,129	2,434,160	7
OPERATING INCOME TAXES DEFERRED	1,504,625	1,489,909	1,329,670	1,196,096	936,386	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	830,759-	284,349-	408,488-	407,044-	313,286-	9
TOTAL OPERATING EXPENSES	33,745,408	34,292,426	32,967,311	30,326,788	27,269,568	10
TOTAL TELEPHONE OPERATING INCOME	9,456,385	8,705,084	6,507,219	6,587,575	6,982,595	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	129,352	101,852	87,228	30,229	21,976	13
ALLOWANCE FOR CONSTRUCTION FUNDS	290,373	245,825	181,229	165,955	191,232	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	54,422	4,475	101,023	127,032-	217,060	17
TOTAL OTHER INCOME	474,147	352,152	369,480	69,152	430,268	18
TOTAL INCOME	9,930,532	9,057,236	6,876,699	6,656,727	7,412,863	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	34,383	62,799	33,647	18,683	5,318	20
INCOME TAXES-NONOPERATING	142,753-	173,738-	107,363-	157,160-	26,487-	21
MISCELLANEOUS INCOME CHARGES	33,582	33,266	49,424	36,238	33,365	22
TOTAL INCOME DEDUCTIONS	74,788-	77,673-	24,292-	102,239-	12,196	23
INCOME BEFORE INTEREST CHARGES	10,005,320	9,134,909	6,900,991	6,758,966	7,400,667	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	3,113,573	3,300,937	3,472,856	3,291,401	2,824,955	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	33,108	37,481	40,764	39,091	34,187	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	166,462	86,959	30,045	247,137	508,812	29
TOTAL INTEREST CHARGES	3,313,143	3,425,377	3,543,665	3,577,629	3,367,954	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	6,692,177	5,709,532	3,357,326	3,181,337	4,032,713	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	33,100	-	2,980	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	5,237-	4,284-	85,638-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	15,226	2,409-	600-	39,394-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS - LESS TAX EFFECT	17,874	2,828-	704-	46,244-	-	35
NET INCOME	$ 6,710,051	$ 5,706,704	$ 3,356,622	$ 3,135,093	$ 4,032,713	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 14,049,198	$ 12,523,283	$ 11,501,233	$ 10,548,987	$ 9,697,138	37
BALANCE TRANSFERRED FROM INCOME	6,710,051	5,706,703	3,356,622	3,135,093	4,032,713	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	2,605	2,605	2,605	2,605	2,605	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	382,083	406,823	430,573	454,323	478,070	42
-COMMON STOCK	5,780,133	3,771,360	1,901,394	1,725,921	2,700,189	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	14,594,429	14,049,198	12,523,283	11,501,231	10,548,987	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 14,594,429	$ 14,049,198	$ 12,523,283	$ 11,501,231	$ 10,548,987	46
	SELECTED INCOME ACCOUNT RELATIONSHIPS					
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	38.2	37.9	43.7	44.6	41.7	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	16.1	16.5	17.8	17.0	15.9	49
TOTAL INCOME TAXES-OPERATING	12.4	13.7	8.9	7.3	8.9	50
OTHER TAXES-OPERATING	11.3	11.5	12.9	13.2	12.9	51
TOTAL OPERATING EXPENSES	78.1	79.7	83.5	82.1	79.6	52
OPERATING INCOME	21.8	20.2	15.4	17.8	20.3	53
INTEREST EXPENSE						
PRETAX COVERAGE	4.5	4.3	2.9	2.5	3.0	54
NET INCOME-PERCENT OF OPERATING REVENUES	15.5	13.2	8.5	8.4	11.7	55
DIVIDEND APPROPRIATIONS, COMMON STOCK PERCENT OF EARNINGS AVAILABLE	91.3	71.1	64.9	64.3	75.9	56
PERCENT OF AVERAGE COMMON EQUITY EARNINGS AVAILABLE FOR COMMON STOCK	17.8	15.3	8.8	8.3	11.3	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ALLTEL NEW YORK, INC.

LINE NO.	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 6,687,143	$ 5,706,703	$ 3,356,622	$ 3,135,093	$ 4,032,713
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	6,998,934	7,129,915	7,079,545	6,290,037	5,444,256
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	1,306,651	1,557,080	1,348,295	1,308,153	949,131
4	INTEREST CAPITALIZED	290,373-	245,825-	181,229-	165,955-	191,232-
5	OTHER (NET):	235,097	230,225	220,422	197,706	184,522
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	14,937,452	14,378,098	11,823,655	10,765,034	10,419,390
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	22,909	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	14,960,361	14,378,098	11,823,655	10,765,034	10,419,390
10	LESS DIVIDENDS: PREFERRED	382,083	406,823	430,571	454,323	478,070
11	COMMON	5,780,133	3,771,360	1,901,394	1,725,921	2,700,189
12	NET FUNDS FROM INTERNAL SOURCES	8,798,145	10,199,915	9,491,690	8,584,790	7,241,131
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	3,500,000	5,500,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	6,052,410	2,096,612	33,662	31,995	-
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	6,052,410	2,096,612	33,662	3,531,995	5,500,000
20	OTHER SOURCES (NET):	776,858	41,928-	427,160	711,218	752,974
21						
22						
23	TOTAL FUNDS PROVIDED	$ 15,627,413	$ 12,254,599	$ 9,952,512	$ 12,828,003	$ 13,494,105
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 10,811,086	$ 10,375,274	$ 7,912,684	$ 7,996,743	$ 9,173,687
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	10,811,086	10,375,274	7,912,684	7,996,743	9,173,687
28	LESS INTEREST CAPITALIZED	290,373	245,825	181,229	165,955	191,232
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	10,520,713	10,129,449	7,731,455	7,830,788	8,982,455
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	4,856,700	1,875,150	1,518,651	3,016,149	1,688,150
31	PREFERRED STOCK	250,000	250,000	250,000	250,000	250,000
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	1,989,566
34	OTHER (NET):	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	5,106,700	2,125,150	1,768,651	3,266,149	3,927,716
37	OTHER USES (NET):	-	-	452,406	1,731,066	583,934
38						
39						
40	TOTAL FUNDS APPLIED	$ 15,627,413	$ 12,254,599	$ 9,952,512	$ 12,828,003	$ 13,494,105

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

ALLTEL NEW YORK, INC.

TELEPHONE OPERATING REVENUES

ITEM	1986	1985	1984	1983	1982	LINE NO
OPERATING REVENUES						
LOCAL REVENUES	$ 24,487,713	$ 23,954,833	$ 20,989,656	$ 18,915,557	$ 17,539,884	1
ACCESS REVENUES	10,636,653	8,757,571				2
TOLL REVENUES	4,450,028	5,875,112	13,070,983	16,082,441	15,096,388	3
MISCELLANEOUS REVENUES	3,795,199	4,549,794	5,553,916	2,102,065	1,863,421	4
UNCOLLECTIBLE REVENUES-DR	167,800	139,800	140,025	185,700	247,530	5
TOTAL TELEPHONE OPERATING REVENUE	$ 43,201,793	$ 42,997,510	$ 39,474,530	$ 36,914,363	$ 34,252,163	6
TELEPHONE ACCESS LINES IN SERVICE	77,733	76,550	74,927	71,464	70,330	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 317.44	$ 316.28	$ 286.76	$ 266.80	$ 251.14	8
ACCESS REVENUE	137.88	119.65				9
TOLL REVENUE	57.69	77.57	178.58	226.84	216.15	10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM	1986	1985	1984	1983	1982	LINE NO
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 6,765,739	$ 6,480,307	$ 6,178,463	$ 5,935,796	$ 5,078,348	11
DEPRECIATION + AMORTIZATION EXPENSES	6,965,826	7,110,434	7,044,124	6,297,160	5,469,866	12
TRAFFIC EXPENSES	1,579,173	1,619,971	1,907,659	1,587,588	1,719,801	13
COMMERCIAL EXPENSES	2,379,973	2,815,627	3,494,310	3,109,578	2,661,027	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	4,911,036	4,229,334	4,113,472	3,539,062	2,903,342	16
OTHER OPERATING EXPENSES	897,540	1,190,277	1,580,483	2,298,055	1,949,891	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 23,499,287	$ 23,445,950	$ 24,318,511	$ 22,767,241	$ 19,782,274	18

TELEPHONE UTILITY PLANT

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 112,262,844	$ 112,560,617	$ 109,124,554	$ 105,727,742	$ 102,175,889	19
PLANT UNDER CONSTRUCTION	4,284,810	6,115,971	2,430,430	1,888,074	1,628,915	20
PROPERTY HELD FOR FUTURE USE	59,703	59,704	105,638	105,638	104,938	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	148,560	148,560	148,560	148,560	148,560	23
TOTAL TELEPHONE UTILITY PLANT	116,755,917	118,884,852	111,809,182	107,870,014	104,058,302	24
ACCUMULATED PROVISION FOR DEPR+AMORT	35,901,633	41,337,057	37,301,068	33,416,669	30,094,484	25
NET TELEPHONE PLANT	$ 80,854,284	$ 77,547,795	$ 74,508,114	$ 74,453,345	$ 73,963,818	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 112,560,617	$ 109,124,554	$ 105,727,742	$ 102,175,889	$ 97,882,978	27
ADDITIONS	12,596,047	6,669,785	7,202,281	7,431,545	8,238,250	28
RETIREMENTS	12,893,820	3,233,722	3,805,469	3,879,692	3,945,339	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 112,262,844	$ 112,560,617	$ 109,124,554	$ 105,727,742	$ 102,175,889	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

ALLTEL NEW YORK, INC

LINE NO.	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 43,201,793	$ 42,997,510	$ 39,474,530	$ 36,914,363	$ 34,252,163
2	ACCESS LINES (AVERAGE*)	77,142	75,739	73,196	70,897	69,842
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 6,311,380	$ 5,999,112	$ 6,736,158	$ 7,215,564	$ 6,836,663
4	OTHER OPERATION AND MAINTENANCE EXPENSES	10,222,081	10,336,404	10,538,229	9,254,517	7,475,746
5	DEPRECIATION AND AMORTIZATION EXPENSES	6,965,826	7,110,434	7,044,124	6,297,160	5,469,865
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	5,336,461	5,869,936	3,530,950	2,684,181	3,057,261
8	OTHER TAXES - OPERATING	4,909,660	4,976,540	5,117,850	4,875,366	4,430,033
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3,229,124	3,357,752	3,474,067	3,562,158	3,284,003
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	370,321	394,117	416,284	432,503	463,919
11	EARNINGS AVAILABLE FOR COMMON EQUITY	5,856,940	4,953,215	2,616,868	2,592,914	3,234,673
12	TOTAL	$ 43,201,793	$ 42,997,510	$ 39,474,530	$ 36,914,363	$ 34,252,163
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	14.6	14.0	17.1	19.5	20.0
14	OTHER OPERATION AND MAINTENANCE EXPENSES	23.7	24.0	26.7	25.1	21.8
15	DEPRECIATION AND AMORTIZATION EXPENSES	16.1	16.5	17.8	17.1	16.0
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	12.4	13.7	8.9	7.3	8.9
18	OTHER TAXES - OPERATING	11.4	11.6	13.0	13.2	12.9
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.5	7.8	8.8	9.6	9.6
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.9	0.9	1.1	1.2	1.4
21	EARNINGS AVAILABLE FOR COMMON EQUITY	13.6	11.5	6.6	7.0	9.4
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 6.82	$ 6.60	$ 7.67	$ 8.48	$ 8.16
24	OTHER OPERATION AND MAINTENANCE EXPENSES	11.04	11.37	12.00	10.88	8.92
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.52	7.82	8.02	7.40	6.53
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	5.76	6.46	4.02	3.16	3.65
28	OTHER TAXES - OPERATING	5.30	5.48	5.83	5.73	5.29
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.49	3.69	3.96	4.19	3.92
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.40	0.43	0.47	0.51	0.55
31	EARNINGS AVAILABLE FOR COMMON EQUITY	6.33	5.45	2.98	3.05	3.86
32	TOTAL	$ 46.67	$ 47.31	$ 44.94	$ 43.39	$ 40.87

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

AT&T COMMUNICATIONS OF NEW YORK, INC.

LINE NO	ITEM	1986	1985	1984	1983	1982
			ASSETS AND OTHER DEBITS			
1	TELEPHONE PLANT	$ 994,328,379	$ 938,214,599	$ 897,765,255	-	-
2	ACCUMULATED PROVISION FOR DEPR+AMORT	278,815,526	230,616,784	203,315,934	-	-
3	NET TELEPHONE PLANT	715,512,853	707,597,515	694,449,321	-	-
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	1,246,697	1,246,697	3,193,671	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	1,246,697	1,246,697	3,193,671	-	-
9	CASH AND WORKING FUNDS	4,784,479-	420,391	23,694,643-	-	-
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	124,678,141	1,539,580	5,452,456	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	292,573,693	394,810,477	280,782,121	-	-
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	181,590,282	112,246,304	122,871,285	-	-
15	MATERIALS AND SUPPLIES*	1,330,642	1,116,712	1,146,420	-	-
16	PREPAYMENTS	18,392,459	16,288,748	644,318	-	-
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	613,780,738	526,422,212	387,201,957	-	-
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	-	-	-	-	-
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	2,982,034	356,936	203,210-	-	-
23	TOTAL DEFERRED DEBITS	2,982,034	356,936	203,210-	-	-
24	TOTAL ASSETS AND OTHER DEBITS	1,333,522,322	$ 1,235,623,660	$ 1,084,641,739	-	-
			LIABILITIES AND OTHER CREDITS			
25	COMMON CAPITAL STOCK	$ 1,000	$ 1,000	$ 1,000	-	-
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	200,000,000	40,000,000	40,000,000	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	328,053,729	337,351,667	314,927,661	-	-
34	TOTAL PROPRIETARY CAPITAL	528,054,729	377,352,667	354,928,661	-	-
35	BONDS(LESS BONDS REACQUIRED)	-	-	-	-	-
36	ADVANCES FROM AFFILIATED COMPANIES	200,147,845	235,875,000	187,250,000	-	-
37	OTHER LONG-TERM DEBT	1,876,634	1,889,904	1,851,199	-	-
38	TOTAL LONG-TERM DEBT	202,024,479	237,764,904	189,101,199	-	-
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	67,516,166	150,297,643	241,670,067	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	291,204,489	233,981,014	124,862,555	-	-
41	CUSTOMERS DEPOSITS	168,670	-	-	-	-
42	ADVANCE BILLING AND PAYMENTS	2,247,874	1,326,815	462,498	-	-
43	TAXES ACCRUED	59,123,782	58,960,984	14,614,823	-	-
44	OTHER CURRENT AND ACCRUED LIABILITIES	7,149,270	-	-	-	-
45	TOTAL CURRENT AND ACCRUED LIABILITIES	427,410,251	444,566,456	381,609,943	-	-
45	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM DEFERRED INVESTMENT TAX CREDITS	31,024,181	32,979,771	35,844,193	-	-
48	OTHER DEFERRED CREDITS	1,884,290-	457,260	201	-	-
49	TOTAL DEFERRED CREDITS	29,139,891	33,437,031	35,844,394	-	-
50	OPERATING RESERVES	561,398	967,187-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	146,331,574	143,469,789	122,157,542	-	-
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,333,522,322	$ 1,235,623,660	$ 1,084,641,739	-	-
			SELECTED BALANCE SHEET RELATIONSHIPS			
53	CURRENT ASSETS/CURRENT LIABILITIES	1 44	1 18	1 01	-	-
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	27 6	38 6	34 7	-	-
55	PREFERRED STOCK	-	-	-	-	-
56	COMMON STOCK+OTHER PAID-IN CAPITAL	27 3	6 5	7 3	-	-
57	RETAINED EARNINGS	44 9	54 8	57 8	-	-
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	20 3	25 3	21 0	-	-
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	28 0	24 6	22 6	-	-

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

AT&T COMMUNICATIONS OF NEW YORK, INC

ITEM	1986	1985	1984	1983	1982	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,777,148,089	$ 1,877,464,960	$ 1,756,029,767	-	-	1
OPERATION AND MAINTENANCE EXPENSE	1,427,546,446	1,567,240,255	1,500,292,420	-	-	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	67,166,004	64,214,052	41,705,350	-	-	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	113,410,919	107,203,473	115,219,056	-	-	6
INCOME TAXES-OPERATING	73,035,860	44,314,506	22,035,596	-	-	7
OPERATING INCOME TAXES DEFERRED	28,890,407	35,934,836	25,846,509	-	-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	26,028,622-	14,622,589-	8,558,760-	-	-	9
TOTAL OPERATING EXPENSES	1,684,021,014	1,804,284,533	1,696,540,171	-	-	10
TOTAL TELEPHONE OPERATING INCOME	93,127,075	73,180,427	59,489,596	-	-	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	8,294,379	47,369-	56,560	-	-	13
ALLOWANCE FOR CONSTRUCTION FUNDS	1,994,648	777,104	2,081,309	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPEPTY	24	33-	-	-	-	16
MISCELLANEOUS INCOME	2,553,230	3,530,224	7,810	-	-	17
TOTAL OTHER INCOME	12,842,281	4,259,926	2,145,679	-	-	18
TOTAL INCOME	105,989,356	77,440,353	61,635,275	-	-	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	125,866	6,808	-	-	-	20
INCOME TAXES-NONOPERATING	3,866,785	61,421-	196,881-	-	-	21
MISCELLANEOUS INCOME CHARGES	159,260	112,565	399,909	-	-	22
TOTAL INCOME DEDUCTIONS	4,151,911	57,952	203,028	-	-	23
INCOME BEFORE INTEREST CHARGES	101,817,445	77,382,401	61,432,247	-	-	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	-	-	-	-	-	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	-	-	-	-	-	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	22,312,330	19,634,107	17,126,123	-	-	29
TOTAL INTEREST CHARGES	22,312,330	19,634,107	17,126,123	-	-	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	79,505,115	57,748,294	44,306,124	-	-	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	98-	7,940-	19,635-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	45-	3,652-	9,032-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	53-	4,288-	10,603-	-	-	35
NET INCOME	$ 79,505,062	$ 57,744,006	$ 44,295,521	-	-	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 337,351,667	$ 314,927,661	$ 293,385,352	-	-	37
BALANCE TRANSFERRED FROM INCOME	79,505,062	57,744,006	44,295,521	-	-	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	11,611,212	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	88,803,000	35,320,000	11,142,000	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	328,053,729	337,351,667	314,927,661	-	-	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 328,053,729	$ 337,351,667	$ 314,927,661	-	-	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	80.3	83.4	85.4	-	-	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	3.7	3.4	2.3	-	-	49
TOTAL INCOME TAXES-OPERATING	4.3	3.5	2.2	-	-	50
OTHER TAXES-OPERATING	6.3	5.7	6.5	-	-	51
TOTAL OPERATING EXPENSES	94.7	96.1	96.6	-	-	52
OPERATING INCOME	5.2	3.8	3.3	-	-	53
INTEREST EXPENSE						
PRETAX COVERAGE	5.0	7.1	5.9	-	-	54
NET INCOME-PERCENT OF OPERATING REVENUES	4.4	3.0	2.5	-	-	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	111.6	61.1	25.1	-	-	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	17.5	15.7	13.7	-	-	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

AT&T COMMUNICATIONS OF NEW YORK, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 79,505,115	$ 57,748,294	$ 44,306,124	-	-
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	67,166,004	64,214,052	41,705,350	-	-
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	768,359	17,853,529	14,861,834	-	-
4	INTEREST CAPITALIZED	1,994,648-	777,104-	2,081,309-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	145,444,830	139,038,771	98,791,999	-	-
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	53-	4,288-	10,603-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	145,444,777	139,034,483	98,781,396	-	-
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	88,803,000	35,320,000	11,142,000	-	-
12	NET FUNDS FROM INTERNAL SOURCES	56,641,777	103,714,483	87,639,396	-	-
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	48,663,705	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	160,000,000	-	40,000,000	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	160,000,000	48,663,705	40,000,000	-	-
20	OTHER SOURCES (NET)	-	-	1,677,356	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 216,641,777	$ 152,378,188	$ 129,316,752	-	-
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 76,854,792	$ 79,566,349	$ 69,979,289	-	-
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	76,854,792	79,566,349	69,979,289	-	-
28	LESS INTEREST CAPITALIZED	1,994,648	777,104	2,081,309	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	74,860,144	78,789,245	67,897,980	-	-
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	35,740,425	-	56,958,801	-	-
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	1,000	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	35,740,425	-	56,959,801	-	-
37	OTHER USES (NET)	106,041,208	73,588,943	4,458,971	-	-
38						
39						
40	TOTAL FUNDS APPLIED	$ 216,641,777	$ 152,378,188	$ 129,316,752	-	-

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT.

YEARS ENDING DECEMBER 31

AT&T COMMUNICATIONS OF NEW YORK, INC

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	-	-	-	-	-	1
ACCESS REVENUES	-	-				2
TOLL REVENUES	1,706,522,570	1,799,445,157	1,731,414,347	-	-	3
MISCELLANEOUS REVENUES	100,155,499	86,477,139	62,964,451	-	-	4
UNCOLLECTIBLE REVENUES-DR	29,529,980	8,457,336	38,349,031	-	-	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,777,148,089	$ 1,877,464,960	$ 1,756,029,767	-	-	6
TELEPHONE ACCESS LINES IN SERVICE**	-	-	-	-	-	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	-	-	-	-	-	8
ACCESS REVENUE	-	-				9
TOLL REVENUE	-	-	-	-	-	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 80,530,228	$ 82,816,380	$ 89,601,515	-	-	11
DEPRECIATION + AMORTIZATION EXPENSES	67,166,004	64,214,052	41,705,350	-	-	12
TRAFFIC EXPENSES	89,276,910	77,181,707	70,073,918	-	-	13
COMMERCIAL EXPENSES	224,138,967	248,441,839	233,515,433	-	-	14
ACCESS EXPENSES	836,948,898	971,246,888	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	84,995,909	66,108,660	57,688,105	-	-	16
OTHER OPERATING EXPENSES	111,655,534	121,444,781	1,049,413,449	-	-	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,494,712,450	$ 1,631,454,307	$ 1,541,997,770	-	-	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 962,400,115	$ 897,869,027	$ 864,589,976	-	-	19
PLANT UNDER CONSTRUCTION	31,928,264	40,345,572	33,175,279	-	-	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	994,328,379	938,214,599	897,765,255	-	-	24
ACCUMULATED PROVISION FOR DEPR+AMORT	278,815,526	230,616,784	203,315,934	-	-	25
NET TELEPHONE PLANT	$ 715,512,853	$ 707,597,815	$ 694,449,321	-	-	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 897,869,027	$ 864,589,976	$ 841,663,351	-	-	27
ADDITIONS	85,272,091	72,396,056	58,784,790	-	-	28
RETIREMENTS	20,741,003	39,117,005	35,858,165	-	-	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 962,400,115	$ 897,869,027	$ 864,589,976	-	-	31

**AT&T COMMUNICATIONS OF NEW YORK, INC DOES NOT HAVE ACCESS LINES

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

AT&T COMMUNICATIONS OF NEW YORK, INC

LINE NO.	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 1,777,148,089	$ 1,877,464,960	$ 1,756,029,767	-	-
2	ACCESS LINES (AVERAGE*)**	-	-	-	-	-
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 175,250,934	$ 193,369,019	$ 182,246,968	-	-
4	OTHER OPERATION AND MAINTENANCE EXPENSES	1,252,295,512	1,373,871,236	1,318,045,452	-	-
5	DEPRECIATION AND AMORTIZATION EXPENSES	67,166,004	64,214,052	41,705,350	-	-
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	75,897,645	65,626,753	39,323,345	-	-
8	OTHER TAXES - OPERATING	113,410,919	107,203,473	115,219,056	-	-
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	22,312,330	19,634,107	17,126,123	-	-
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	70,814,745	53,546,320	42,363,473	-	-
12	TOTAL	$ 1,777,148,089	$ 1,877,464,960	$ 1,756,029,767	-	-
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	9.9	10.3	10.4	-	-
14	OTHER OPERATION AND MAINTENANCE EXPENSES	70.5	73.2	75.1	-	-
15	DEPRECIATION AND AMORTIZATION EXPENSES	3.8	3.4	2.4	-	-
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	4.3	3.5	2.2	-	-
18	OTHER TAXES - OPERATING	6.4	5.7	6.6	-	-
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1.3	1.0	1.0	-	-
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	4.0	2.9	2.4	-	-
22	TOTAL	100.0	100.0	100.0	-	-
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	-	-	-	-	-
24	OTHER OPERATION AND MAINTENANCE EXPENSES	-	-	-	-	-
25	DEPRECIATION AND AMORTIZATION EXPENSES	-	-	-	-	-
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	-	-	-	-	-
28	OTHER TAXES - OPERATING	-	-	-	-	-
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	-	-	-	-	-
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	-	-	-	-	-
32	TOTAL	-	-	-	-	-

* YEAR END AVERAGE
**AT&T COMMUNICATIONS OF NEW YORK, INC DOES NOT HAVE ACCESS LINES

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

AUSABLE VALLEY TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 10,014,704	$ 8,658,334	$ 7,898,124	$ 7,049,840	$ 6,945,613
2	ACCUMULATED PROVISION FOR DEPR+AMORT	3,212,559	2,869,601	2,778,044	2,397,347	2,043,724
3	NET TELEPHONE PLANT	6,802,145	5,788,733	5,120,080	4,652,493	4,901,889
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	9,679	9,716	11,686	6,231	712
7	OTHER INVESTMENTS AND FUNDS	208,750	208,750	208,750	208,750	208,750
8	TOTAL INVESTMENTS AND FUNDS	218,429	218,466	220,436	214,981	209,462
9	CASH AND WORKING FUNDS	50,174	59,655	21,229	104,850	19,960
10	SPECIAL CASH DEPOSITS	-	3,801	3,801	3,801	3,801
11	TEMPORARY CASH INVESTMENTS	7,360-	43,221	46,558	259,167	71,292
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	1,138	252,146	352,954	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	216,135	120,221	118,057	129,193	98,339
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	277,652	241,518	203,675	192,749	193,059
15	MATERIALS AND SUPPLIES*	125,080	97,391	75,065	66,826	64,712
16	PREPAYMENTS	57,247	46,768	45,774	89,985	40,617
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	9,285	6,853
18	TOTAL CURRENT AND ACCRUED ASSETS	722,066	864,721	867,114	855,856	498,633
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	41,875	42,876	43,875	-	29,320
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	6,709	11,031	3,773	4,834	31,146
23	TOTAL DEFERRED DEBITS	48,584	53,907	47,648	4,834	60,466
24	TOTAL ASSETS AND OTHER DEBITS	7,791,224	$ 6,925,827	$ 6,255,278	$ 5,728,164	$ 5,670,450
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 188,400	$ 188,400	$ 188,400	$ 188,400	$ 188,400
26	PREFERRED CAPITAL STOCK	275,400	275,400	275,400	275,400	275,400
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	400,000	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	907,310	793,268	651,902	620,038	512,103
34	TOTAL PROPRIETARY CAPITAL	1,771,110	1,257,068	1,115,702	1,083,838	975,903
35	BONDS(LESS BONDS REACQUIRED)	4,062,155	4,118,323	4,170,791	4,219,721	4,263,163
36	ADVANCES FROM AFFILIATED COMPANIES	400,000	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	4,462,155	4,118,323	4,170,791	4,219,721	4,263,163
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	491,234	202,413	74,488	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	131,350	142,068	284,738	44,520	55,928
41	CUSTOMERS'DEPOSITS	250	1,450	7,800	8,241	21,376
42	ADVANCE BILLING AND PAYMENTS	20,363	-	-	-	-
43	TAXES ACCRUED	100,082	46,579	19,631-	8,659	7,444
44	OTHER CURRENT AND ACCRUED LIABILITIES	13,224	450,549	85,120	41,007	54,570
45	TOTAL CURRENT AND ACCRUED LIABILITIES	756,503	843,059	432,515	102,427	139,318
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	268,442	260,642	195,942	118,542	65,424
48	OTHER DEFERRED CREDITS	310,429	184,521	121,214	552	-
49	TOTAL DEFERRED CREDITS	578,871	445,163	317,156	119,094	65,424
50	OPERATING RESERVES	2,771	72,800	85,000	55,070	69,712
51	ACCUMULATED DEFERRED INCOME TAXES	219,814	189,414	134,114	148,014	156,930
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 7,791,224	$ 6,925,827	$ 6,255,278	$ 5,728,164	$ 5,670,450
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	0.95	1.03	2.00	8.36	3.58
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	71.5	76.6	78.8	79.5	81.3
55	PREFERRED STOCK	4.4	5.1	5.2	5.1	5.2
56	COMMON STOCK+OTHER PAID-IN CAPITAL	9.4	3.5	3.5	3.5	3.5
57	RETAINED EARNINGS	14.5	14.7	12.3	11.6	9.7
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	44.5	47.5	52.8	59.8	61.3
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	32.0	33.1	35.1	34.0	29.4

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

AUSABLE VALLEY TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 2,872,212	$ 2,880,952	$ 2,464,949	$ 2,384,096	$ 2,232,177	1
OPERATION AND MAINTENANCE EXPENSE	1,395,481	1,405,901	1,203,302	1,197,359	1,054,391	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	651,234	437,491	431,174	427,778	392,425	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	231,046	273,179	299,425	288,165	243,987	6
INCOME TAXES-OPERATING	70,276	108,756	48,700	55,012	29,537	7
OPERATING INCOME TAXES DEFERRED	44,200	55,300	6,000-	14,717	10,290	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	13,800-	-	7,900-	23,633-	8,036-	9
TOTAL OPERATING EXPENSES	2,378,437	2,280,627	1,968,701	1,959,398	1,722,594	10
TOTAL TELEPHONE OPERATING INCOME	493,775	600,325	496,248	424,698	509,583	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	5,667	30,514	51,246	14,003	4,605	13
ALLOWANCE FOR CONSTRUCTION FUNDS	16,296	13,704	9,948	4,866	6,205	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	8,235	10,253	8,093	760	-	17
TOTAL OTHER INCOME	30,198	54,471	69,287	19,629	10,810	18
TOTAL INCOME	523,973	654,796	565,535	444,327	520,393	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	32	32	33	31	-	20
INCOME TAXES-NONOPERATING	3,528	11,048	18,976	-	27	21
MISCELLANEOUS INCOME CHARGES	6,200	30,422	-	-	-	22
TOTAL INCOME DEDUCTIONS	9,760	41,502	19,009	31	27	23
INCOME BEFORE INTEREST CHARGES	514,213	613,294	546,526	444,296	520,366	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	285,851	290,426	294,119	297,266	300,017	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	1,000	1,000	1,000	1,000	1,000	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	1,039	553	706	1,204	29,173	29
TOTAL INTEREST CHARGES	287,890	291,979	295,825	299,470	330,189	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	226,323	321,315	250,701	144,826	190,177	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	713	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	18,767-	-	10,731-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	18,054-	-	10,731-	35
NET INCOME	$ 226,323	$ 321,315	$ 232,647	$ 144,826	$ 179,446	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 793,268	$ 651,902	$ 620,038	$ 512,103	$ 369,548	37
BALANCE TRANSFERRED FROM INCOME	226,323	321,315	232,647	144,826	179,446	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	81,575	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	15,174	15,147	15,147	15,147	15,147	42
-COMMON STOCK	97,107	164,802	104,061	21,744	21,744	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	907,310	793,268	651,902	620,038	512,103	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 907,310	$ 793,268	$ 651,902	$ 620,038	$ 512,103	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	48.5	48.7	48.8	50.2	47.2	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	22.6	15.1	17.4	17.9	17.5	49
TOTAL INCOME TAXES-OPERATING	3.5	5.7	1.4	1.9	1.4	50
OTHER TAXES-OPERATING	8.0	9.4	12.1	12.0	10.9	51
TOTAL OPERATING EXPENSES	82.8	79.1	79.8	82.1	77.1	52
OPERATING INCOME	17.1	20.8	20.1	17.8	22.8	53
INTEREST EXPENSE:						
PRETAX COVERAGE	2.1	2.7	2.0	1.6	1.7	54
NET INCOME-PERCENT OF OPERATING REVENUES	7.8	11.1	9.4	6.0	8.0	55
DIVIDEND APPROPRIATIONS, COMMON STOCK PERCENT OF EARNINGS AVAILABLE	45.9	53.8	47.8	16.7	13.2	56
PERCENT OF AVERAGE COMMON EQUITY: EARNINGS AVAILABLE FOR COMMON STOCK	17.0	33.6	26.3	17.1	26.1	57

MAJOR-TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

AUSABLE VALLEY TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 226,323	$ 321,315	$ 250,701	$ 144,826	$ 190,177
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	652,235	440,552	434,056	429,330	393,425
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	55,000	120,000	63,500	44,202	31,791
4	INTEREST CAPITALIZED	16,297-	13,704-	9,948-	4,866-	6,205-
5	OTHER (NET):	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	917,261	868,163	738,309	613,492	609,188
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	18,054	-	6,500-
9	TOTAL FUNDS FROM INTERNAL SOURCES	917,261	868,163	756,363	613,492	602,688
10	LESS DIVIDENDS: PREFERRED	15,174	15,147	15,147	15,147	15,147
11	COMMON	97,108	164,802	104,061	21,744	21,744
12	NET FUNDS FROM INTERNAL SOURCES	804,979	688,214	637,155	576,601	565,797
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	400,000	-	240,218	-	-
17	OTHER (NET):	-	-	140,345	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	400,000	-	380,563	-	-
20	OTHER SOURCES (NET)	508,202	591,991	19,038	29,801	90,285
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,713,181	$ 1,280,205	$ 1,036,756	$ 606,402	$ 656,082
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 1,669,123	$ 1,127,863	$ 848,284	$ 184,048	$ 288,311
25	NON-UTILITY PLANT	-	-	-	5,519	-
26	OTHER	-	5,894	6,872	-	-
27	TOTAL GROSS ADDITIONS	1,669,123	1,133,757	855,156	189,567	288,311
28	LESS INTEREST CAPITALIZED	16,297	13,704	9,948	4,866	6,205
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,652,826	1,120,063	845,208	184,701	282,106
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	56,168	52,468	48,930	43,443	38,617
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	14,745	-	-	267,500
34	OTHER (NET)	4,187	104,145	-	-	4,231
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	60,355	171,358	48,930	43,443	310,348
37	OTHER USES (NET):	-	11,206-	142,618	378,258	63,628
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,713,181	$ 1,280,205	$ 1,036,756	$ 606,402	$ 656,082

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

AUSABLE VALLEY TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 632,321	$ 547,578	$ 488,768	$ 480,145	$ 463,654	1
ACCESS REVENUES	-	-				2
TOLL REVENUES	2,222,249	2,315,204	1,966,301	1,890,875	1,758,781	3
MISCELLANEOUS REVENUES	38,642	38,170	28,880	32,113	37,333	4
UNCOLLECTIBLE REVENUES-DR	21,000	20,000	19,000	19,038	27,590	5
TOTAL TELEPHONE OPERATING REVENUE	$ 2,872,212	$ 2,880,952	$ 2,464,949	$ 2,384,095	$ 2,232,178	6
TELEPHONE ACCESS LINES IN SERVICE	5,033	4,867	4,713	4,553	4,494	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 127.74	$ 114.32	$ 105.50	$ 106.14	$ 104.53	8
ACCESS REVENUE	-	-				9
TOLL REVENUE	448.94	483.34	424.41	418.01	396.52	10

*YEAR END AVERAGE

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 439,318	$ 420,388	$ 389,393	$ 421,305	$ 340,995	11
DEPRECIATION + AMORTIZATION EXPENSES	651,234	437,491	431,174	427,778	392,425	12
TRAFFIC EXPENSES	138,501	226,603	176,888	168,558	153,276	13
COMMERCIAL EXPENSES	112,472	78,876	65,013	63,681	68,940	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	390,009	374,081	304,554	273,916	264,470	16
OTHER OPERATING EXPENSES	315,181	305,953	267,454	269,898	226,710	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 2,046,715	$ 1,843,392	$ 1,634,476	$ 1,625,136	$ 1,446,816	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 9,385,983	$ 8,622,157	$ 7,831,640	$ 6,910,372	$ 6,837,451	19
PLANT UNDER CONSTRUCTION	625,431	32,887	63,194	136,177	109,085	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	4,214-	22
PLANT ADJUSTMENTS	3,290	3,290	3,290	3,291	3,291	23
TOTAL TELEPHONE UTILITY PLANT	10,014,704	8,658,334	7,898,124	7,049,840	6,945,613	24
ACCUMULATED PROVISION FOR DEPR+AMORT	3,212,559	2,869,601	2,778,044	2,397,347	2,043,724	25
NET TELEPHONE PLANT	$ 6,802,145	$ 5,788,733	$ 5,120,080	$ 4,652,493	$ 4,901,889	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 8,622,157	$ 7,831,640	$ 6,910,372	$ 6,837,451	$ 6,637,820	27
ADDITIONS	1,080,823	1,127,864	1,081,224	156,957	307,737	28
RETIREMENTS	316,997	337,279	65,743	84,036	108,106	29
TRANSFERS AND ADJUSTMENTS	-	68-	94,213-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 9,385,983	$ 8,622,157	$ 7,831,640	$ 6,910,373	$ 6,837,451	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

AUSABLE VALLEY TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 2,872,212	$ 2,880,952	$ 2,464,949	$ 2,384,096	$ 2,232,177
2	ACCESS LINES (AVERAGE*)	4,950	4,790	4,633	4,524	4,436
	DOLLAR AMOUNTS					
3	WAGES AND BENEFITS	$ 440,718	$ 603,755	$ 619,995	$ 699,849	$ 602,263
4	OTHER OPERATION AND MAINTENANCE EXPENSES	954,763	802,146	583,307	497,509	452,128
5	DEPRECIATION AND AMORTIZATION EXPENSES	651,234	437,491	431,174	427,778	392,425
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	100,676	164,056	34,800	46,096	31,791
8	OTHER TAXES - OPERATING	231,046	273,179	299,425	288,165	243,987
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	282,219	288,704	293,437	299,470	326,305
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	14,462	14,657	14,656	15,147	14,948
11	EARNINGS AVAILABLE FOR COMMON EQUITY	197,094	296,964	188,155	110,081	168,330
12	TOTAL	$ 2,872,212	$ 2,880,952	$ 2,464,949	$ 2,384,096	$ 2,232,177
	PERCENT OF REVENUES					
13	WAGES AND BENEFITS	15.3	21.0	25.2	29.4	27.0
14	OTHER OPERATION AND MAINTENANCE EXPENSES	33.2	27.8	23.7	20.9	20.3
15	DEPRECIATION AND AMORTIZATION EXPENSES	22.7	15.2	17.5	17.9	17.6
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	3.5	5.7	1.4	1.9	1.4
18	OTHER TAXES - OPERATING	8.0	9.5	12.1	12.1	10.9
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	9.8	10.0	11.9	12.6	14.6
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.5	0.5	0.6	0.6	0.7
21	EARNINGS AVAILABLE FOR COMMON EQUITY	6.9	10.3	7.6	4.6	7.5
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER AVERAGE ACCESS LINE PER MONTH					
23	WAGES AND BENEFITS	$ 7.42	$ 10.50	$ 11.15	$ 12.89	$ 11.32
24	OTHER OPERATION AND MAINTENANCE EXPENSES	16.07	13.96	10.49	9.17	8.49
25	DEPRECIATION AND AMORTIZATION EXPENSES	10.96	7.61	7.76	7.88	7.37
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	1.69	2.85	0.63	0.85	0.60
28	OTHER TAXES - OPERATING	3.89	4.75	5.39	5.31	4.58
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.75	5.02	5.28	5.52	6.13
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.24	0.25	0.26	0.28	0.28
31	EARNINGS AVAILABLE FOR COMMON EQUITY	3.32	5.17	3.38	2.03	3.16
32	TOTAL	$ 48.35	$ 50.12	$ 44.34	$ 43.92	$ 41.94

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

BERKSHIRE TELEPHONE CORPORATION

LINE NO.	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 5,423,662	$ 5,134,277	$ 5,377,344	$ 5,287,492	$ 5,211,115
2	ACCUMULATED PROVISION FOR DEPR+AMORT	373,686	161,135	1,645,451	1,425,498	1,178,653
3	NET TELEPHONE PLANT	5,049,976	4,973,142	3,731,893	3,861,994	4,032,462
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	185,247	74,610	71,618	67,889	15,698
7	OTHER INVESTMENTS AND FUNDS	170,804	170,804	170,804	170,804	170,804
8	TOTAL INVESTMENTS AND FUNDS	356,051	245,414	242,422	238,693	186,502
9	CASH AND WORKING FUNDS	53,630	135,368	47,628	73,083	163,284
10	SPECIAL CASH DEPOSITS	519,883	536,187	495,664	411,982	94,903
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	177,107	124,410	128,473	4,565	1,074
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	230,689	249,661	225,796	228,293	199,558
15	MATERIALS AND SUPPLIES*	84,896	84,569	81,814	55,631	37,119
16	PREPAYMENTS	73,856	67,669	69,829	63,463	65,679
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	7,511
18	TOTAL CURRENT AND ACCRUED ASSETS	1,140,061	1,199,844	1,049,204	837,017	569,228
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	17,523	17,981	12,614	13,073	13,532
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	6,366	1,862	4,433	2,796	1,332
23	TOTAL DEFERRED DEBITS	23,889	19,843	17,047	15,869	14,864
24	TOTAL ASSETS AND OTHER DEBITS	6,569,977	$ 6,438,243	$ 5,040,566	$ 4,953,573	$ 4,803,056
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 81,160	$ 81,160	$ 81,160	$ 81,160	$ 81,160
26	PREFERRED CAPITAL STOCK	121,700	122,600	130,800	130,800	130,800
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	1,481,232	1,262,198	1,037,162	964,811	853,936
34	TOTAL PROPRIETARY CAPITAL	1,684,092	1,465,958	1,249,122	1,176,771	1,065,896
35	BONDS(LESS BONDS REACQUIRED)	2,927,068	2,973,010	3,015,735	3,055,434	3,092,554
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	2,927,068	2,973,010	3,015,735	3,055,434	3,092,554
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	1,299,594	1,408,530	299,395	252,686	239,313
41	CUSTOMERS' DEPOSITS	2,860	3,950	7,963	7,036	5,836
42	ADVANCE BILLING AND PAYMENTS	13,668	11,830	10,061	9,984	10,536
43	TAXES ACCRUED	331-	4,669	3,610	19,721	8,249
44	OTHER CURRENT AND ACCRUED LIABILITIES	39,381	38,629	34,753	37,420	36,296
45	TOTAL CURRENT AND ACCRUED LIABILITIES	1,355,172	1,467,608	355,782	326,847	300,230
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	172,867	130,656	93,864	100,497	90,158
48	OTHER DEFERRED CREDITS	59,131	41,964	25,782	11,222	1,568
49	TOTAL DEFERRED CREDITS	231,998	172,620	119,646	111,719	91,726
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	371,647	359,047	300,281	282,802	252,650
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 6,569,977	$ 6,438,243	$ 5,040,566	$ 4,953,573	$ 4,803,056
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	0.84	0.82	2.95	2.56	1.90
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	63.4	66.9	70.7	72.1	74.3
55	PREFERRED STOCK	2.6	2.7	3.0	3.0	3.1
56	COMMON STOCK+OTHER PAID-IN CAPITAL	1.7	1.8	1.9	1.9	1.9
57	RETAINED EARNINGS	32.1	28.4	24.3	22.7	20.5
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	53.9	57.9	56.0	57.7	59.3
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	6.8	3.1	30.5	26.9	22.6

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

BERKSHIRE TELEPHONE CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 2,090,585	$ 1,869,851	$ 1,674,565	$ 1,594,701	$ 1,543,961	1
OPERATION AND MAINTENANCE EXPENSE	920,018	839,476	888,666	723,126	712,950	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	325,981	285,634	279,956	277,272	284,270	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	242,876	228,583	230,518	222,336	164,125	6
INCOME TAXES-OPERATING	48,655	39,828	5,633-	9,482	18,884	7
OPERATING INCOME TAXES DEFERRED	47,010	83,630	21,707	35,161	29,396	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	34,410-	24,864-	4,228-	5,009-	8,840-	9
TOTAL OPERATING EXPENSES	1,551,130	1,452,287	1,409,986	1,262,368	1,200,784	10
TOTAL TELEPHONE OPERATING INCOME	539,455	417,564	264,579	332,333	343,167	11
OTHER INCOME						
DIVIDEND INCOME	506	476	446	415	-	12
INTEREST INCOME	48,644	51,710	50,559	24,723	3,550	13
ALLOWANCE FOR CONSTRUCTION FUNDS	4,498	7,076	1,560	2,945	4,266	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	5,209	2,694-	8,307-	7,467-	196	16
MISCELLANEOUS INCOME	56,972-	1,050-	698-	6,240-	1,515	17
TOTAL OTHER INCOME	115-	55,518	43,560	14,376	9,527	18
TOTAL INCOME	539,340	473,082	308,139	346,709	352,694	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	3,684	1,220	1,131	1,352	1,178	22
TOTAL INCOME DEDUCTIONS	3,684	1,220	1,131	1,352	1,178	23
INCOME BEFORE INTEREST CHARGES	535,656	471,862	307,008	345,357	351,516	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	204,184	207,247	210,119	212,761	213,736	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	458	459	458	458	458	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	86,484	17,999	872	950	811	29
TOTAL INTEREST CHARGES	291,126	225,705	211,449	214,169	215,005	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	244,530	246,157	95,559	131,188	136,511	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	3,408	-	2,895	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	2,807-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	1,567	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	2,807-	1,841	-	2,896	-	35
NET INCOME	$ 241,723	$ 247,998	$ 95,559	$ 134,083	$ 136,511	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 1,262,198	$ 1,037,162	$ 964,811	$ 853,936	$ 740,633	37
BALANCE TRANSFERRED FROM INCOME	241,723	247,998	95,559	134,083	136,511	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	7,329	7,602	7,848	7,848	7,848	42
-COMMON STOCK	15,360	15,360	15,360	15,360	15,360	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,481,232	1,262,198	1,037,162	964,811	853,936	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 1,481,232	$ 1,262,198	$ 1,037,162	$ 964,811	$ 853,936	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	44.0	44.8	53.0	45.3	46.1	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	15.6	15.2	16.7	17.3	18.4	49
TOTAL INCOME TAXES-OPERATING	2.9	5.3	0.6	2.5	2.6	50
OTHER TAXES-OPERATING	11.6	12.2	13.7	13.9	10.6	51
TOTAL OPERATING EXPENSES	74.1	77.6	84.2	79.1	77.7	52
OPERATING INCOME	25.8	22.3	15.7	20.8	22.2	53
INTEREST EXPENSE						
PRETAX COVERAGE	2.1	2.5	1.5	1.8	1.8	54
NET INCOME-PERCENT OF OPERATING REVENUES	11.5	13.2	5.7	8.4	8.8	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	6.5	6.3	17.5	12.1	11.9	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	16.1	19.5	8.1	12.7	14.6	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

BERKSHIRE TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 244,530	$ 246,157	$ 95,559	$ 131,188	$ 136,511
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	356,553	317,604	292,820	291,246	294,388
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	54,811	95,558	10,846	40,491	34,591
4	INTEREST CAPITALIZED	4,498-	7,076-	1,560-	2,945-	4,266-
5	OTHER (NET)	-	-	14,560	9,654	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	651,396	652,243	412,225	469,634	461,224
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	2,807-	1,841	-	2,895	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	648,589	654,084	412,225	472,529	461,224
10	LESS DIVIDENDS: PREFERRED	7,329	7,602	7,848	7,848	7,848
11	COMMON	15,360	15,360	15,360	15,360	15,360
12	NET FUNDS FROM INTERNAL SOURCES	625,900	631,122	389,017	449,321	438,016
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	25,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	909,753	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	909,753	-	-	25,000
20	OTHER SOURCES (NET)	7,366	55,911	4,523	11,194	356
21						
22						
23	TOTAL FUNDS PROVIDED	$ 633,266	$ 1,596,786	$ 393,540	$ 460,515	$ 463,372
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 398,538	$ 1,531,987	$ 161,889	$ 121,389	$ 247,934
25	NON-UTILITY PLANT	110,637	2,602	3,729	52,191	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	509,175	1,534,589	165,618	173,580	247,934
28	LESS INTEREST CAPITALIZED	4,498	7,076	1,560	2,945	4,266
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	504,677	1,527,513	164,058	170,635	243,668
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	45,942	42,724	39,699	37,120	31,393
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	900	8,200	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	15,216	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	62,058	50,924	39,699	37,120	31,393
37	OTHER USES (NET)	66,531	18,349	189,783	252,760	188,311
38						
39						
40	TOTAL FUNDS APPLIED	$ 633,266	$ 1,596,786	$ 393,540	$ 460,515	$ 463,372

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

BERKSHIRE TELEPHONE CORPORATION

TELEPHONE OPERATING REVENUES

ITEM	1986	1985	1984	1983	1982	LINE NO
OPERATING REVENUES						
LOCAL REVENUES	$ 489,998	$ 393,014	$ 396,670	$ 391,744	$ 376,541	1
ACCESS REVENUES	488,799	568,929				2
TOLL REVENUES	905,267	741,445	1,237,233	1,176,509	1,140,065	3
MISCELLANEOUS REVENUES	222,621	176,463	46,162	37,448	39,345	4
UNCOLLECTIBLE REVENUES-DR	16,100	10,000	5,500	11,000	12,000	5
TOTAL TELEPHONE OPERATING REVENUE	$ 2,090,585	$ 1,869,851	$ 1,674,565	$ 1,594,701	$ 1,543,951	6
TELEPHONE ACCESS LINES IN SERVICE	4,418	4,250	4,106	4,004	3,653	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 113.06	$ 94.08	$ 97.83	$ 102.32	$ 105.30	8
ACCESS REVENUE	112.78	140.32				9
TOLL REVENUE	208.88	177.49	305.15	307.30	318.81	10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM	1986	1985	1984	1983	1982	LINE NO
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 330,398	$ 283,129	$ 345,320	$ 241,508	$ 265,335	11
DEPRECIATION + AMORTIZATION EXPENSES	326,981	285,634	279,956	277,272	284,270	12
TRAFFIC EXPENSES	54,803	77,238	94,135	28,435	44,879	13
COMMERCIAL EXPENSES	76,291	73,039	72,372	73,262	75,233	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	260,907	253,624	227,824	202,002	181,548	16
OTHER OPERATING EXPENSES	197,619	152,446	149,015	177,919	145,955	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,246,999	$ 1,125,110	$ 1,168,622	$ 1,000,398	$ 997,220	18

TELEPHONE UTILITY PLANT

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 5,389,633	$ 5,111,993	$ 5,366,354	$ 5,253,373	$ 5,097,362	19
PLANT UNDER CONSTRUCTION	34,029	22,284	10,990	34,119	113,753	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	3,423,662	5,134,277	5,377,344	5,287,492	5,211,115	24
ACCUMULATED PROVISION FOR DEPR+AMORT	373,686	161,135	1,645,451	1,425,498	1,178,653	25
NET TELEPHONE PLANT	$ 5,049,976	$ 4,973,142	$ 3,731,893	$ 3,861,994	$ 4,032,462	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 5,111,993	$ 5,366,354	$ 5,253,373	$ 5,097,362	$ 5,049,083	27
ADDITIONS	386,793	1,520,693	185,017	197,648	187,257	28
RETIREMENTS	109,979	1,775,064	72,036	41,637	138,978	29
TRANSFERS AND ADJUSTMENTS	826	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 5,389,633	$ 5,111,993	$ 5,366,354	$ 5,253,373	$ 5,097,362	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

BERKSHIRE TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 2,090,585	$ 1,869,851	$ 1,674,565	$ 1,594,701	$ 1,543,951
2	ACCESS LINES (AVERAGE*)	4,334	4,178	4,055	3,829	3,576
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 479,134	$ 444,817	$ 414,004	$ 391,242	$ 361,904
4	OTHER OPERATION AND MAINTENANCE EXPENSES	440,884	394,659	474,662	331,884	351,046
5	DEPRECIATION AND AMORTIZATION EXPENSES	326,981	285,634	279,956	277,272	284,270
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	61,255	98,594	10,846	39,634	39,439
8	OTHER TAXES - OPERATING	242,876	228,583	230,518	222,336	164,125
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	289,096	222,033	210,205	212,275	212,339
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	7,256	7,468	7,800	7,777	7,750
11	EARNINGS AVAILABLE FOR COMMON EQUITY	243,103	188,063	46,574	112,281	123,078
12	TOTAL	$ 2,090,585	$ 1,869,851	$ 1,674,565	$ 1,594,701	$ 1,543,951
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	22.9	23.8	24.7	24.5	23.4
14	OTHER OPERATION AND MAINTENANCE EXPENSES	21.1	21.1	28.3	20.8	22.7
15	DEPRECIATION AND AMORTIZATION EXPENSES	15.6	15.3	16.7	17.4	18.4
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	2.9	5.3	0.6	2.5	2.6
18	OTHER TAXES - OPERATING	11.6	12.2	13.8	13.9	10.6
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	13.8	11.9	12.6	13.3	13.8
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.3	0.4	0.5	0.5	0.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	11.6	10.1	2.8	7.0	8.0
22	TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER AVERAGE ACCESS LINE PER MONTH			
23	WAGES AND BENEFITS	$ 9.21	$ 8.87	$ 8.51	$ 8.52	$ 8.43
24	OTHER OPERATION AND MAINTENANCE EXPENSES	8.48	7.87	9.76	7.22	8.18
25	DEPRECIATION AND AMORTIZATION EXPENSES	6.29	5.70	5.75	6.04	6.62
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	1.18	1.97	0.22	0.86	0.92
28	OTHER TAXES - OPERATING	4.67	4.56	4.74	4.84	3.82
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.56	4.43	4.32	4.62	4.95
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.14	0.15	0.16	0.17	0.18
31	EARNINGS AVAILABLE FOR COMMON EQUITY	4.67	3.75	0.96	2.44	2.87
32	TOTAL	$ 40.20	$ 37.30	$ 34.42	$ 34.71	$ 35.98

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CASSADAGA TELEPHONE CORPORATION

LINE NO	ITEM		1986		1985		1984		1983		1982
	ASSETS AND OTHER DEBITS										
1	TELEPHONE PLANT	$	1,301,090	$	1,250,759	$	1,201,820	$	1,181,866	$	1,137,172
2	ACCUMULATED PROVISION FOR DEPR+AMORT		399,117		642,312		572,726		527,090		474,754
3	NET TELEPHONE PLANT		901,973		608,447		629,094		654,776		662,418
4	INVESTMENTS IN AFFILIATED COMPANIES		-		-		-		-		-
5	ADVANCES TO AFFILIATED COMPANIES		-		-		-		-		-
6	MISCELLANEOUS PHYSICAL PROPERTY		-		-		-		-		-
7	OTHER INVESTMENTS AND FUNDS		-		-		-		-		-
8	TOTAL INVESTMENTS AND FUNDS		-		-		-		-		-
9	CASH AND WORKING FUNDS		51,311		23,972		50,255		49,988		40,840
10	SPECIAL CASH DEPOSITS		-		-		-		-		-
11	TEMPORARY CASH INVESTMENTS		132,018		355,234		278,231		188,232		130,834
12	NOTES+ACCTS REC FROM AFFILIATED CO'S		-		-		-		228		-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE		34,478		28,014		21,368		3,687		4,854
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS		42,870		45,836		42,666		41,704		35,070
15	MATERIALS AND SUPPLIES*		59,084		53,732		53,695		44,129		42,689
16	PREPAYMENTS		8,477		11,151		9,188		10,982		8,339
17	OTHER CURRENT AND ACCRUED ASSETS		-		-		-		-		-
18	TOTAL CURRENT AND ACCRUED ASSETS		328,238		517,939		455,403		338,950		262,626
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE		4,498		4,695		4,893		5,090		5,288
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS		-		-		-		-		-
21	RESEARCH AND DEVELOPMENT		-		-		-		-		-
22	OTHER DEFERRED DEBITS		-		3,564		3,564		1,725		1,080
23	TOTAL DEFERRED DEBITS		4,498		8,259		8,457		6,815		6,368
24	TOTAL ASSETS AND OTHER DEBITS		1,234,709	$	1,134,645	$	1,092,954	$	1,000,541	$	931,412
	LIABILITIES AND OTHER CREDITS										
25	COMMON CAPITAL STOCK	$	27,800	$	27,800	$	27,800	$	27,800	$	27,800
26	PREFERRED CAPITAL STOCK		2,100		50,000		50,000		50,000		50,000
27	STOCK LIABILITY FOR CONVERSION		-		-		-		-		-
28	PREMIUM ON CAPITAL STOCK		-		-		-		-		-
29	CAPITAL STOCK SUBSCRIBED		-		-		-		-		-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK		-		-		-		-		-
31	OTHER PAID-IN CAPITAL		-		-		-		-		-
32	CAPITAL STOCK EXPENSE		-		-		-		-		-
33	RETAINED EARNINGS		582,372		512,393		450,056		380,142		318,350
34	TOTAL PROPRIETARY CAPITAL		612,273		590,193		527,856		457,942		396,150
35	BONDS(LESS BONDS REACQUIRED)		445,897		405,850		416,273		424,738		432,806
36	ADVANCES FROM AFFILIATED COMPANIES		-		-		-		-		-
37	OTHER LONG-TERM DEBT		-		-		-		-		-
38	TOTAL LONG-TERM DEBT		445,897		405,850		416,273		424,738		432,806
39	NOTES+ACCTS PAY TO AFFILIATED CO'S		10,768		7,801		15,810		14,318		9,631
40	OTHER NOTES AND ACCOUNTS PAYABLE		47,065		33,049		20,482		10,926		15,248
41	CUSTOMERS DEPOSITS		3,140		2,230		9,170		8,885		7,560
42	ADVANCE BILLING AND PAYMENTS		-		-		-		-		-
43	TAXES ACCRUED		3,519-		24,197		25,328		12,626		1,131
44	OTHER CURRENT AND ACCRUED LIABILITIES		6,877		6,124		6,543		6,621		6,768
45	TOTAL CURRENT AND ACCRUED LIABILITIES		64,331		73,401		77,333		53,376		40,338
46	UNAMORTIZED PREMIUM ON DEBT		-		-		-		-		-
47	ACCUM DEFERRED INVESTMENT TAX CREDITS		77,703		46,107		48,042		46,750		47,815
48	OTHER DEFERRED CREDITS		-		-		-		-		-
49	TOTAL DEFERRED CREDITS		77,703		46,107		48,042		46,750		47,815
50	OPERATING RESERVES		-		-		-		-		-
51	ACCUMULATED DEFERRED INCOME TAXES		34,505		19,094		23,450		17,735		14,303
52	TOTAL LIABILITIES AND OTHER CREDITS	$	1,234,709	$	1,134,645	$	1,092,954	$	1,000,541	$	931,412
	SELECTED BALANCE SHEET RELATIONSHIPS										
53	CURRENT ASSETS/CURRENT LIABILITIES		5.10		7.06		5.89		6.35		6.51
	PERCENT OF CAPITALIZATION										
54	LONG TERM DEBT		42.1		40.7		44.0		48.1		52.2
55	PREFERRED STOCK		0.1		5.0		5.2		5.6		6.0
56	COMMON STOCK+OTHER PAID-IN CAPITAL		2.6		2.7		2.9		3.1		3.3
57	RETAINED EARNINGS		55.0		51.4		47.6		43.0		38.4
	LONG-TERM DEBT										
58	PERCENT OF GROSS TELEPHONE PLANT		34.2		32.4		34.6		35.9		38.0
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT		30.6		51.3		47.6		44.5		41.7

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CASSADAGA TELEPHONE CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 509,959	$ 482,487	$ 463,827	$ 404,392	$ 383,025	1
OPERATION AND MAINTENANCE EXPENSE	241,084	248,989	222,026	196,461	176,029	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	73,274	71,651	70,808	70,917	53,777	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	50,625	50,099	41,295	40,086	37,236	6
INCOME TAXES-OPERATING	39,103	48,324	39,946	15,585	26,134	7
OPERATING INCOME TAXES DEFERRED	17,655	3,254-	8,134	4,918	4,741	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	2,244-	1,102-	2,419-	1,486-	2,385-	9
TOTAL OPERATING EXPENSES	419,497	414,707	379,790	326,481	295,532	10
TOTAL TELEPHONE OPERATING INCOME	90,462	67,780	84,037	77,911	87,493	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	10,006	28,646	19,999	12,398	8,204	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	6,199	3,798	3,654	3,407	3,290	17
TOTAL OTHER INCOME	16,205	32,444	23,653	15,805	11,494	18
TOTAL INCOME	106,667	100,224	107,690	93,716	98,987	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	145	950	125	65	124	22
TOTAL INCOME DEDUCTIONS	145	950	125	65	124	23
INCOME BEFORE INTEREST CHARGES	106,522	99,274	107,565	93,651	98,863	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	21,253	20,744	21,013	21,416	21,804	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	198	198	198	198	198	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	332	485	930	990	1,067	29
TOTAL INTEREST CHARGES	21,783	21,427	22,141	22,604	23,069	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	84,739	77,847	85,424	71,047	75,794	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 84,739	$ 77,847	$ 85,424	$ 71,047	$ 75,794	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 512,393	$ 450,056	$ 380,142	$ 318,350	$ 249,726	37
BALANCE TRANSFERRED FROM INCOME	84,739	77,847	85,424	71,047	75,794	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	2,250	3,000	3,000	3,000	3,000	42
-COMMON STOCK	12,510	12,510	12,510	6,255	4,170	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	582,372	512,393	450,056	380,142	318,350	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 582,372	$ 512,393	$ 450,056	$ 380,142	$ 318,350	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	47.2	51.6	47.8	48.5	45.9	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	14.3	14.8	15.2	17.5	14.0	49
TOTAL INCOME TAXES-OPERATING	10.7	9.1	9.8	4.7	7.4	50
OTHER TAXES-OPERATING	9.9	10.3	8.9	9.9	9.7	51
TOTAL OPERATING EXPENSES	82.2	85.9	81.8	80.7	77.1	52
OPERATING INCOME	17.7	14.0	18.1	19.2	22.8	53
INTEREST EXPENSE						
PRETAX COVERAGE	7.1	6.5	6.8	4.8	5.4	54
NET INCOME-PERCENT OF OPERATING REVENUES	16.6	16.1	18.4	17.5	19.7	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	15.1	16.7	15.1	9.1	5.7	56
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	14.3	14.7	18.6	18.0	23.3	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CASSADAGA TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 84,739	$ 77,847	$ 85,424	$ 71,047	$ 75,794
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	73,593	72,160	71,315	71,426	54,188
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	47,007	6,291-	7,007	2,367	24,846
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	205,339	143,716	163,746	144,840	154,828
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	205,339	143,716	163,746	144,840	154,828
10	LESS DIVIDENDS PREFERRED	2,250	3,000	3,000	3,000	3,000
11	COMMON	12,510	12,510	12,510	6,255	4,170
12	NET FUNDS FROM INTERNAL SOURCES	190,579	128,206	148,236	135,585	147,658
	EXTERNAL SOURCES					
13	LONG TERM DEBT	47,900	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	3,739	-	-	9,754
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	47,900	3,739	-	-	9,754
20	OTHER SOURCES (NET)	199,210	-	3,075	3,635	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 437,689	$ 131,945	$ 151,311	$ 139,220	$ 157,412
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 381,936	$ 55,053	$ 48,511	$ 67,221	$ 49,984
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	381,936	55,053	48,511	67,221	49,984
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	381,936	55,053	48,511	67,221	49,984
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	7,853	10,423	8,465	8,068	7,677
31	PREFERRED STOCK	47,900	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	55,753	10,423	8,465	8,068	7,677
37	OTHER USES (NET)	-	66,469	94,335	63,931	99,751
38						
39						
40	TOTAL FUNDS APPLIED	$ 437,689	$ 131,945	$ 151,311	$ 139,220	$ 157,412

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

CASSADAGA TELEPHONE CORPORATION

ITEM		1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	153,595 $	149,097 $	146,710 $	148,282 $	138,377	1
ACCESS REVENUES		142,365	110,609				2
TOLL REVENUES		173,918	166,544	267,143	231,431	187,429	3
MISCELLANEOUS REVENUES		48,339	61,929	50,709	27,608	58,400	4
UNCOLLECTIBLE REVENUES-DR		8,258	5,692	735	2,929	1,181	5
TOTAL TELEPHONE OPERATING REVENUE	$	509,959 $	482,487 $	463,827 $	404,392 $	383,025	6
TELEPHONE ACCESS LINES IN SERVICE		1,620	1,587	1,080	1,045	1,024	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 95 79	$ 111 81	$ 138 08	$ 143 34	$ 136 67	8
ACCESS REVENUE		88 78	104 10				9
TOLL REVENUE		108 46	124 89	251 43	223 71	185 12	10
*YEAR END AVERAGE							
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	122,851 $	109,699 $	104,603 $	102,422 $	80,480	11
DEPRECIATION + AMORTIZATION EXPENSES		73,274	71,651	70,808	70,917	53,777	12
TRAFFIC EXPENSES		5,074	5,913	8,384	4,347	4,246	13
COMMERCIAL EXPENSES		6,644	18,338	14,171	3,543	2,130	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		41,301	39,327	29,746	16,512	14,842	16
OTHER OPERATING EXPENSES		65,214	75,712	65,122	69,637	74,331	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	314,358 $	320,640 $	292,834 $	267,378 $	229,806	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	1,271,221 $	1,172,705 $	1,160,740 $	1,127,167 $	1,119,672	19
PLANT UNDER CONSTRUCTION		12,369	60,554	23,580	37,199	-	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		17,500	17,500	17,500	17,500	17,500	23
TOTAL TELEPHONE UTILITY PLANT		1,301,090	1,250,759	1,201,820	1,181,866	1,137,172	24
ACCUMULATED PROVISION FOR DEPR-AMORT		399,117	642,312	572,726	527,090	474,754	25
NET TELEPHONE PLANT	$	901,973 $	608,447 $	629,094 $	654,776 $	662,418	26
PLANT IN SERVICE BEGINNING OF YEAR	$	1,172,705 $	1,160,740 $	1,127,167 $	1,119,672 $	1,079,338	27
ADDITIONS		430,120	18,079	62,130	30,022	53,734	28
RETIREMENTS		331,604	6,114	28,557	22,527	13,400	29
TRANSFERS AND ADJUSTMENTS		-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$	1,271,221 $	1,172,705 $	1,160,740 $	1,127,167 $	1,119,672	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CASSADAGA TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 509,959	$ 482,487	$ 463,827	$ 404,392	$ 383,025
2	ACCESS LINES (AVERAGE*)	1,604	1,334	1,063	1,035	1,013
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	-	-	-	-	-
4	OTHER OPERATION AND MAINTENANCE EXPENSES	241,084	248,989	222,026	196,461	176,029
5	DEPRECIATION AND AMORTIZATION EXPENSES	73,274	71,651	70,808	70,917	53,777
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	54,514	43,968	45,661	19,017	28,490
8	OTHER TAXES - OPERATING	50,625	50,099	41,295	40,086	37,236
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	21,783	21,427	22,141	22,604	23,069
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	2,250	3,000	3,000	3,000	3,000
11	EARNINGS AVAILABLE FOR COMMON EQUITY	66,429	43,353	58,896	52,307	61,424
12	TOTAL	$ 509,959	$ 482,487	$ 463,827	$ 404,392	$ 383,025
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	-	-	-	-	-
14	OTHER OPERATION AND MAINTENANCE EXPENSES	47.3	51.6	47.9	48.6	46.0
15	DEPRECIATION AND AMORTIZATION EXPENSES	14.4	14.9	15.3	17.5	14.0
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	10.7	9.1	9.8	4.7	7.4
18	OTHER TAXES - OPERATING	9.9	10.4	8.9	9.9	9.7
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.3	4.4	4.8	5.6	6.0
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.6	0.6	0.7	0.8
21	EARNINGS AVAILABLE FOR COMMON EQUITY	13.0	9.0	12.7	12.9	16.0
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	-	-	-	-	-
24	OTHER OPERATION AND MAINTENANCE EXPENSES	12.53	15.56	17.41	15.83	14.49
25	DEPRECIATION AND AMORTIZATION EXPENSES	3.81	4.48	5.55	5.71	4.43
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.83	2.75	3.58	1.53	2.34
28	OTHER TAXES - OPERATING	2.63	3.13	3.24	3.23	3.06
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1.13	1.34	1.74	1.82	1.90
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.12	0.19	0.24	0.24	0.25
31	EARNINGS AVAILABLE FOR COMMON EQUITY	3.45	2.71	4.62	4.21	5.06
32	TOTAL	$ 26.50	$ 30.15	$ 36.38	$ 32.58	$ 31.52

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CHAMPLAIN TELEPHONE COMPANY, THE

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 7,263,467	$ 6,803,054	$ 6,566,363	$ 5,548,238	$ 4,822,238
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,536,267	1,463,121	1,447,471	1,385,645	1,192,161
3	NET TELEPHONE PLANT	5,727,200	5,339,933	5,118,892	4,162,593	3,630,077
4	INVESTMENTS IN AFFILIATED COMPANIES	84,354	53,210	18,604	6,000	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	10,697	-
7	OTHER INVESTMENTS AND FUNDS	41,963	30,892	26,712	11,912	11,912
8	TOTAL INVESTMENTS AND FUNDS	126,317	84,102	45,316	28,609	11,912
9	CASH AND WORKING FUNDS	49,467	108,885	101,875	92,386	15,616
10	SPECIAL CASH DEPOSITS	122	122	122	122	122
11	TEMPORARY CASH INVESTMENTS	499,162	207,327	846	762	47,053
12	NOTES+ACCTS REC FROM AFFILIATED CO S	4,924	67,002	19,255	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	524,736	241,533	356,335	77,085	136,261
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	261,199	235,933	186,430	217,274	182,285
15	MATERIALS AND SUPPLIES*	132,901	165,921	154,599	110,250	129,378
16	PREPAYMENTS	78,825	67,216	56,595	43,787	42,689
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	1,551,336	1,093,939	876,057	541,666	553,404
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	41,654	43,102	44,551	46,000	47,449
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	16,546	19,107	8,072	71,269	51,642
23	TOTAL DEFERRED DEBITS	58,200	62,209	52,623	117,269	99,091
24	TOTAL ASSETS AND OTHER DEBITS	7,463,053	$ 6,580,183	$ 6,092,888	$ 4,850,137	$ 4,294,484
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 210,000	$ 210,000	$ 210,000	$ 210,000	$ 210,000
26	PREFERRED CAPITAL STOCK	215,050	226,050	238,700	252,000	260,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	2,206,810	1,870,239	1,418,141	1,055,662	944,347
34	TOTAL PROPRIETARY CAPITAL	2,631,860	2,306,289	1,866,841	1,517,662	1,414,347
35	BONDS (LESS BONDS REACQUIRED)	3,095,299	2,661,684	2,146,812	1,835,482	1,851,743
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	3,095,299	2,661,684	2,146,812	1,835,482	1,851,743
39	NOTES+ACCTS PAY TO AFFILIATED CO S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	224,450	361,229	914,082	551,410	557,272
41	CUSTOMERS DEPOSITS	-	456	4,045	2,300	1,000
42	ADVANCE BILLING AND PAYMENTS	10,764	10,180	8,804	19,169	7,671
43	TAXES ACCRUED	20,714-	67,444-	45,568	42,212-	245,725-
44	OTHER CURRENT AND ACCRUED LIABILITIES	51,048	36,554	52,031	161,452	37,352
45	TOTAL CURRENT AND ACCRUED LIABILITIES	265,548	340,975	1,024,530	692,119	357,570
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	439,309	470,229	383,814	285,299	276,409
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	439,309	470,229	383,814	285,299	276,409
50	OPERATING RESERVES	-	-	71,361	76,108	54,483
51	ACCUMULATED DEFERRED INCOME TAXES	1,031,037	801,006	599,530	443,467	339,932
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 7,463,053	$ 6,580,183	$ 6,092,888	$ 4,850,137	$ 4,294,484
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	5.84	3.21	0.86	0.78	1.55
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	54.0	53.5	53.4	54.7	56.6
55	PREFERRED STOCK	3.7	4.5	5.9	7.5	7.9
56	COMMON STOCK+OTHER PAID-IN CAPITAL	3.6	4.2	5.2	6.2	6.4
57	RETAINED EARNINGS	38.5	37.6	35.3	31.4	28.9
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	42.6	39.1	32.6	33.0	38.4
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	21.1	21.5	22.0	24.9	24.7

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CHAMPLAIN TELEPHONE COMPANY, THE

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES $	3,271,058 $	3,170,884 $	3,017,322 $	2,266,612 $	2,109,924	1
OPERATION AND MAINTENANCE EXPENSE	1,898,303	1,721,348	1,593,713	1,338,994	1,247,327	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	400,520	372,800	319,798	305,234	238,801	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	275,290	241,463	281,916	229,204	171,686	6
INCOME TAXES-OPERATING	26,208-	76,671	134,526	2,784-	16,890-	7
OPERATING INCOME TAXES DEFERRED	238,531	244,052	162,538	139,932	115,123	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	8,500-	42,576-	6,475-	36,397-	26,323-	9
TOTAL OPERATING EXPENSES	2,777,938	2,613,758	2,486,016	1,974,183	1,729,724	10
TOTAL TELEPHONE OPERATING INCOME	493,120	557,126	531,306	292,429	380,200	11
OTHER INCOME						
DIVIDEND INCOME	5,594	450	422	392	-	12
INTEREST INCOME	20,992	7,891	2,817	139	159	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	29,800	-	-	26,382	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	28,236	35,483	10,617	52-	2,768	17
TOTAL OTHER INCOME	54,822	73,624	13,856	479	29,289	18
TOTAL INCOME	547,942	630,750	545,162	292,908	409,489	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	21	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	3,479	2,369	1,855	1,704	1,380	22
TOTAL INCOME DEDUCTIONS	3,479	2,369	1,855	1,704	1,401	23
INCOME BEFORE INTEREST CHARGES	544,463	628,381	543,307	291,204	408,088	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	145,360	115,880	105,908	92,341	86,458	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	1,449	1,449	1,449	1,449	1,449	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	4,428	388	9,549	24,024	33,684	29
TOTAL INTEREST CHARGES	151,237	117,717	116,906	117,814	121,591	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	393,226	510,664	426,401	173,390	286,497	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	2,597	17,826	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	16,371-	3,058-	649-	100,182-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	2,597	1,455	3,058-	649-	100,182-	35
NET INCOME $	395,823 $	512,119 $	423,343 $	172,741 $	186,315	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	1,870,239 $	1,418,141 $	1,055,662 $	944,347 $	819,848	37
BALANCE TRANSFERRED FROM INCOME	395,823	512,119	423,343	172,741	186,315	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	14,336	15,104	15,948	16,510	16,900	42
-COMMON STOCK	44,916	44,916	44,916	44,916	44,916	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,206,810	1,870,239	1,418,141	1,055,662	944,347	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR $	2,206,810 $	1,870,239 $	1,418,141 $	1,055,662 $	944,347	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	58.0	54.2	52.8	59.0	59.1	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	12.2	11.7	10.5	13.4	11.3	49
TOTAL INCOME TAXES-OPERATING	6.2	8.8	9.6	4.4	3.4	50
OTHER TAXES-OPERATING	8.4	7.6	9.3	10.1	8.1	51
TOTAL OPERATING EXPENSES	84.9	82.4	82.3	87.0	81.9	52
OPERATING INCOME	15.0	17.5	17.6	12.9	18.0	53
INTEREST EXPENSE						
PRETAX COVERAGE	4.9	7.7	7.1	3.3	3.9	54
NET INCOME-PERCENT OF OPERATING REVENUES	12.1	16.1	14.0	7.6	8.8	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	11.7	9.0	11.0	28.7	26.5	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	16.9	26.8	28.1	12.9	15.5	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CHAMPLAIN TELEPHONE COMPANY, THE

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 393,226	$ 510,664	$ 426,401	$ 172,741	$ 286,497
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	400,777	374,249	320,889	306,226	240,250
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	199,111	287,891	254,578	112,425	225,671
4	INTEREST CAPITALIZED	-	29,800-	-	-	26,362-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	993,114	1,143,004	1,001,868	591,392	726,056
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	2,597	1,455	3,058-	-	100,182-
9	TOTAL FUNDS FROM INTERNAL SOURCES	995,711	1,144,459	998,810	591,392	625,874
10	LESS DIVIDENDS PREFERRED	14,336	15,105	15,948	16,510	16,900
11	COMMON	44,916	44,916	44,916	44,916	44,916
12	NET FUNDS FROM INTERNAL SOURCES	936,459	1,084,438	937,946	529,966	564,058
	EXTERNAL SOURCES					
13	LONG TERM DEBT	473,884	540,884	336,000	-	157,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	473,884	540,884	336,000	-	157,000
20	OTHER SOURCES (NET)	108,660	161,762	282,309	543,055	193,982
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,519,003	$ 1,787,084	$ 1,556,255	$ 1,073,021	$ 915,040
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 806,758	$ 737,554	$ 1,387,398	$ 893,382	$ 662,139
25	NON-UTILITY PLANT	-	-	-	10,697	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	806,758	737,554	1,387,398	904,079	662,139
28	LESS INTEREST CAPITALIZED	-	29,800	-	-	26,362
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	806,758	707,754	1,387,398	904,079	635,777
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	40,270	26,011	24,670	16,261	8,834
31	PREFERRED STOCK	11,000	12,650	13,300	8,000	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	80,500	90,000	20,553
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	51,270	38,661	118,470	114,261	29,387
37	OTHER USES (NET)	660,975	1,040,569	50,387	54,681	249,876
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,519,003	$ 1,787,084	$ 1,556,255	$ 1,073,021	$ 915,040

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

CHAMPLAIN TELEPHONE COMPANY, THE

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 743,704	$ 721,331	$ 708,728	$ 654,808	$ 575,098	1
ACCESS REVENUES	1,473,056	1,348,925				2
TOLL REVENUES	742,501	807,340	2,282,844	1,678,400	1,527,931	3
MISCELLANEOUS REVENUES	329,797	305,288	49,750	40,404	31,395	4
UNCOLLECTIBLE REVENUES-DR	18,000	12,000	24,000	107,000	24,500	5
TOTAL TELEPHONE OPERATING REVENUE	$ 3,271,058	$ 3,170,884	$ 3,017,322	$ 2,266,612	$ 2,109,924	6
TELEPHONE ACCESS LINES IN SERVICE	4,430	4,096	3,815	3,834	3,759	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 174.46	$ 182.36	$ 185.31	$ 172.48	$ 154.85	8
ACCESS REVENUE	345.54	352.71				9
TOLL REVENUE	174.17	204.11	596.90	442.09	411.40	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 594,503	$ 574,889	$ 530,125	$ 434,888	$ 368,154	11
DEPRECIATION + AMORTIZATION EXPENSES	400,520	372,800	319,798	305,234	238,801	12
TRAFFIC EXPENSES	274,353	251,736	212,170	177,276	204,162	13
COMMERCIAL EXPENSES	172,682	159,323	120,755	95,109	85,722	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	413,145	400,222	423,502	363,005	336,818	16
OTHER OPERATING EXPENSES	443,620	335,178	307,161	268,716	252,471	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 2,298,823	$ 2,094,148	$ 1,913,511	$ 1,644,228	$ 1,486,128	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 7,163,473	$ 6,782,908	$ 5,911,218	$ 5,114,094	$ 4,731,725	19
PLANT UNDER CONSTRUCTION	99,994	20,146	655,145	434,144	90,513	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	7,263,467	6,803,054	6,566,363	5,548,238	4,822,238	24
ACCUMULATED PROVISION FOR DEPR+AMORT	1,536,267	1,463,121	1,447,471	1,385,645	1,192,161	25
NET TELEPHONE PLANT	$ 5,727,200	$ 5,339,933	$ 5,118,892	$ 4,162,593	$ 3,630,077	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 6,782,908	$ 5,911,218	$ 5,114,094	$ 4,731,725	$ 3,617,953	27
ADDITIONS	726,910	1,372,553	1,111,212	560,448	1,631,612	28
RETIREMENTS	346,345	500,863	407,977	178,079	517,840	29
TRANSFERS AND ADJUSTMENTS	-	-	93,889	-	-	30
PLANT IN SERVICE END OF YEAR	$ 7,163,473	$ 6,782,908	$ 5,911,218	$ 5,114,094	$ 4,731,725	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CHAMPLAIN TELEPHONE COMPANY, THE

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 3,271,058	$ 3,170,884	$ 3,017,322	$ 2,266,612	$ 2,109,924
2	ACCESS LINES (AVERAGE*)	4,263	3,956	3,825	3,797	3,714
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 1,178,509	$ 1,129,945	$ 947,734	$ 823,872	$ 772,975
4	OTHER OPERATION AND MAINTENANCE EXPENSES	719,794	591,403	645,979	515,122	474,352
5	DEPRECIATION AND AMORTIZATION EXPENSES	400,520	372,800	319,798	305,234	238,801
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	203,825	278,147	290,589	100,751	71,910
8	OTHER TAXES - OPERATING	275,290	241,463	281,916	229,204	171,686
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	151,237	111,498	116,906	117,814	114,974
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	14,336	14,293	15,948	16,510	15,608
11	EARNINGS AVAILABLE FOR COMMON EQUITY	327,547	431,335	398,452	158,105	249,618
12	TOTAL	$ 3,271,058	$ 3,170,884	$ 3,017,322	$ 2,266,612	$ 2,109,924
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	36.0	35.6	31.4	36.3	36.6
14	OTHER OPERATION AND MAINTENANCE EXPENSES	22.0	18.7	21.4	22.7	22.5
15	DEPRECIATION AND AMORTIZATION EXPENSES	12.2	11.8	10.6	13.5	11.3
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	6.2	8.8	9.6	4.4	3.4
18	OTHER TAXES - OPERATING	8.4	7.6	9.3	10.1	8.1
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.6	3.5	3.9	5.2	5.4
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.5	0.5	0.7	0.7
21	EARNINGS AVAILABLE FOR COMMON EQUITY	10.0	13.6	13.2	7.0	11.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 23.04	$ 23.81	$ 20.65	$ 18.08	$ 17.34
24	OTHER OPERATION AND MAINTENANCE EXPENSES	14.07	12.46	14.08	11.31	10.64
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.83	7.85	6.97	6.70	5.36
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	3.98	5.86	6.33	2.21	1.61
28	OTHER TAXES - OPERATING	5.38	5.09	6.14	5.03	3.85
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.96	2.35	2.55	2.59	2.58
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.28	0.30	0.35	0.36	0.35
31	EARNINGS AVAILABLE FOR COMMON EQUITY	6.40	9.09	8.68	3.47	5.60
32	TOTAL	$ 63.94	$ 66.80	$ 65.75	$ 49.75	$ 47.34

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CHAUTAUQUA AND ERIE TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 14,378,287	$ 14,452,220	$ 13,488,380	$ 13,428,666	$ 12,924,758
2	ACCUMULATED PROVISION FOR DEPR+AMORT	3,940,290	4,015,800	4,453,464	4,206,836	3,789,225
3	NET TELEPHONE PLANT	10,437,997	10,436,420	9,034,916	9,221,830	9,135,533
4	INVESTMENTS IN AFFILIATED COMPANIES	40,324	40,324	40,324	40,324	21,947
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	40,324	40,324	40,324	40,324	21,947
9	CASH AND WORKING FUNDS	54,452	84,420	116,878	38,315	72,374
10	SPECIAL CASH DEPOSITS	286,843	182,184	88,305	165	30,500
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACC'TS REC FROM AFFILIATED CO'S	196,509	222,873	19,424	32,016	103
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	272,427	578,419	516,265	299,113	77,309
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	245,429	254,175	238,250	345,848	316,344
15	MATERIALS AND SUPPLIES*	271,419	217,952	321,052	187,555	189,526
16	PREPAYMENTS	127,210	102,848	94,292	96,179	89,712
17	OTHER CURRENT AND ACCRUED ASSETS	205,569	151,561	188,300	184,234	180,079
18	TOTAL CURRENT AND ACCRUED ASSETS	1,659,858	1,834,432	1,582,766	1,183,425	955,947
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	38,521	41,602	44,684	47,765	51,108
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	36,954	21,356	42,022	25,921	25,495
23	TOTAL DEFERRED DEBITS	75,475	62,958	86,706	73,686	76,603
24	TOTAL ASSETS AND OTHER DEBITS	12,213,654	$ 12,374,134	$ 10,744,712	$ 10,519,265	$ 10,190,030
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 780,320	$ 780,320	$ 780,320	$ 780,320	$ 780,320
26	PREFERRED CAPITAL STOCK	650,000	650,000	650,000	650,000	650,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	3,888,770	3,490,893	2,899,814	2,627,976	2,137,882
34	TOTAL PROPRIETARY CAPITAL	5,319,090	4,921,213	4,330,134	4,058,296	3,568,202
35	BONDS LESS BONDS REACQUIRED	2,490,000	2,550,000	2,610,000	2,670,000	3,042,000
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	2,490,000	2,550,000	2,610,000	2,670,000	3,042,000
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	25,126	36,275	4,781	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	2,463,949	2,980,820	2,261,873	2,402,342	2,429,450
41	CUSTOMERS DEPOSITS	29,921	28,616	43,843	46,105	35,625
42	ADVANCE BILLING AND PAYMENTS	27,000	27,000	27,000	26,000	26,000
43	TAXES ACCRUED	116,809	228,112	232,997	231,432	135,793
44	OTHER CURRENT AND ACCRUED LIABILITIES	213,585	174,775	160,967	155,377	163,202
45	TOTAL CURRENT AND ACCRUED LIABILITIES	2,876,390	3,475,598	2,731,461	2,861,256	2,790,070
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	547,201	591,688	421,063	378,718	330,468
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	547,201	591,688	421,063	378,718	330,468
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	980,973	835,635	652,054	550,995	459,290
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 12,213,654	$ 12,374,134	$ 10,744,712	$ 10,519,265	$ 10,190,030
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	0.58	0.53	0.58	0.41	0.34
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	31.9	34.1	37.6	39.6	46.0
55	PREFERRED STOCK	8.3	8.7	9.3	9.6	9.8
56	COMMON STOCK+OTHER PAID-IN CAPITAL	9.9	10.4	11.2	11.5	11.8
57	RETAINED EARNINGS	49.7	46.7	41.7	39.0	32.3
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	17.3	17.6	19.3	19.8	23.5
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	27.4	27.7	33.0	31.3	29.3

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CHAUTAUQUA AND ERIE TELEPHONE CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 5,341,863	$ 5,471,606	$ 4,662,279	$ 4,466,499	$ 4,235,004	1
OPERATION AND MAINTENANCE EXPENSE	2,110,629	2,037,618	1,948,105	1,973,472	1,840,706	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	722,046	715,669	676,651	555,653	546,761	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	540,597	538,783	575,131	543,674	446,141	6
INCOME TAXES-OPERATING	543,812	646,515	346,763	253,892	198,101	7
OPERATING INCOME TAXES DEFERRED	198,398	216,452	138,032	120,224	102,646	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	53,060-	32,872-	36,972-	28,519-	39,024-	9
TOTAL OPERATING EXPENSES	4,062,422	4,122,165	3,647,710	3,418,396	3,095,331	10
TOTAL TELEPHONE OPERATING INCOME	1,279,441	1,349,441	1,014,569	1,048,103	1,139,673	11
OTHER INCOME						
DIVIDEND INCOME	-	-	4,207	-	2,085	12
INTEREST INCOME	12,385	10,032	-	1,618	3,508	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	7	403	316	644	20,810	17
TOTAL OTHER INCOME	12,392	10,435	4,523	2,262	26,403	18
TOTAL INCOME	1,291,833	1,359,876	1,019,092	1,050,365	1,166,076	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	21,260	20,455	16,852	24,744	9,630	22
TOTAL INCOME DEDUCTIONS	21,260	20,455	16,852	24,744	9,630	23
INCOME BEFORE INTEREST CHARGES	1,270,573	1,339,421	1,002,240	1,025,621	1,156,446	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	218,297	223,472	228,647	247,472	255,552	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	3,081	3,082	3,081	3,343	3,395	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	207,078	176,983	213,530	204,401	329,690	29
TOTAL INTEREST CHARGES	428,456	403,537	445,258	455,216	588,637	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	842,117	935,884	556,982	570,405	567,809	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	278,053	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	73,220	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	204,833	-	35
NET INCOME	$ 842,117	$ 935,884	$ 556,982	$ 775,238	$ 567,809	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 3,490,893	$ 2,899,814	$ 2,627,976	$ 2,137,882	$ 1,855,217	37
BALANCE TRANSFERRED FROM INCOME	842,117	935,884	556,982	775,238	567,809	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	46,500	46,500	46,500	46,500	46,500	42
-COMMON STOCK	397,740	298,305	238,644	238,644	238,644	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	3,888,770	3,490,893	2,899,814	2,627,976	2,137,882	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 3,888,770	$ 3,490,893	$ 2,899,814	$ 2,627,976	$ 2,137,882	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	39.5	37.2	41.7	44.1	43.4	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	13.5	13.0	14.5	12.4	12.9	49
TOTAL INCOME TAXES-OPERATING	12.9	15.2	9.6	7.7	6.2	50
OTHER TAXES-OPERATING	10.1	9.8	12.3	12.1	10.5	51
TOTAL OPERATING EXPENSES	76.0	75.3	78.2	76.5	73.0	52
OPERATING INCOME	23.9	24.6	21.7	23.4	26.9	53
INTEREST EXPENSE						
PRETAX COVERAGE	4.6	5.4	3.3	3.0	2.4	54
NET INCOME-PERCENT OF OPERATING REVENUES	15.7	17.1	11.9	17.3	13.4	55
DIVIDEND APPROPRIATIONS, COMMON STOCK PERCENT OF EARNINGS AVAILABLE	49.9	33.5	46.7	32.7	45.7	56
PERCENT OF AVERAGE COMMON EQUITY EARNINGS AVAILABLE FOR COMMON STOCK	17.7	22.3	14.4	23.0	18.7	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CHAUTAUQUA AND ERIE TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 842,117	$ 935,884	$ 556,982	$ 570,405	$ 567,809
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	725,127	718,751	679,732	605,472	550,156
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	100,851	354,205	143,405	139,955	165,132
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,668,095	2,008,840	1,380,119	1,315,832	1,283,097
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	204,833	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,668,095	2,008,840	1,380,119	1,520,665	1,283,097
10	LESS DIVIDENDS PREFERRED	46,500	46,500	46,500	46,500	46,500
11	COMMON	397,740	298,305	238,644	238,644	238,644
12	NET FUNDS FROM INTERNAL SOURCES	1,223,855	1,664,035	1,094,975	1,235,521	997,953
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	435,000	1,759,500	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						48,715
19	TOTAL FUNDS FROM EXTERNAL SOURCES	435,000	1,759,500	-	-	48,715
20	OTHER SOURCES (NET)	279,974	87,589	58,241	65,155	150,482
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,938,829	$ 3,511,124	$ 1,151,216	$ 1,300,676	$ 1,197,150
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 1,003,596	$ 2,184,096	$ 544,092	$ 753,581	$ 802,925
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	1,003,596	2,184,096	544,092	753,581	802,925
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,003,596	2,184,096	544,092	753,581	802,925
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	60,000	60,000	60,000	372,000	64,000
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	822,500	1,001,500	327,250	97,000	318,250
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	882,500	1,061,500	387,250	469,000	382,250
37	OTHER USES (NET)	52,733	265,528	219,874	78,095	11,975
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,938,829	$ 3,511,124	$ 1,151,216	$ 1,300,676	$ 1,197,150

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

CHAUTAUQUA AND ERIE TELEPHONE CORPORATION

ITEM		1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	1,310,969 $	1,282,759 $	1,276,635 $	1,268,441 $	1,223,214	1
ACCESS REVENUES		1,419,924	1,426,688				2
TOLL REVENUES		1,970,965	2,146,919	3,048,407	3,082,571	2,903,846	3
MISCELLANEOUS REVENUES		655,050	650,144	343,283	121,987	125,580	4
UNCOLLECTIBLE REVENUES-DR		15,045	34,904	6,046	6,500	17,636	5
TOTAL TELEPHONE OPERATING REVENUE	$	5,341,863 $	5,471,606 $	4,662,279 $	4,466,499 $	4,235,004	6
TELEPHONE ACCESS LINES IN SERVICE		8,766	8,660	8,551	8,265	8,166	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 150 48	$ 149 06	$ 151 84	$ 154 40	$ 150 57	8
ACCESS REVENUE		162 97	169 68				9
TOLL REVENUE		226 21	249 48	362 56	375 21	357 44	10
*YEAR END AVERAGE							
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	598,648 $	605,543 $	555,499 $	566,997 $	538,740	11
DEPRECIATION + AMORTIZATION EXPENSES		722,046	715,669	676,651	555,653	546,761	12
TRAFFIC EXPENSES		281,991	247,440	234,128	212,523	201,997	13
COMMERCIAL EXPENSES		196,064	179,589	181,096	225,254	201,370	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		714,116	689,229	605,006	558,692	571,385	16
OTHER OPERATING EXPENSES		339,810	315,817	372,376	410,006	327,214	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	2,852,675 $	2,753,287 $	2,624,756 $	2,529,125 $	2,387,467	18
TELEPHONE UTILITY PLANT							
TEEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	14,345,772 $	14,410,385 $	13,519,250 $	13,335,432 $	12,866,385	19
PLANT UNDER CONSTRUCTION		32,515	41,835	30,870-	93,234	58,373	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		14,378,287	14,452,220	13,488,380	13,428,666	12,924,758	24
ACCUMULATED PROVISION FOR DEPR+AMORT		3,940,290	4,015,800	4,453,464	4,206,836	3,789,225	25
NET TELEPHONE PLANT	$	10,437,997 $	10,436,420 $	9,034,916 $	9,221,830 $	9,135,533	26
PLANT IN SERVICE BEGINNING OF YEAR	$	14,410,385 $	13,519,250 $	13,335,432 $	12,866,385 $	12,239,678	27
ADDITIONS		1,012,916	2,111,391	668,195	718,332	782,145	28
RETIREMENTS		1,077,529	1,220,256	484,377	249,285	155,438	29
TRANSFERS AND ADJUSTMENTS		-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$	14,345,772 $	14,410,385 $	13,519,250 $	13,335,432 $	12,866,385	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CHAUTAUQUA AND ERIE TELEPHONE CORPORATION

LINE NO.	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 5,341,863	$ 5,471,606	$ 4,662,279	$ 4,466,499	$ 4,235,004
2	ACCESS LINES (AVERAGE*)	8,713	8,606	8,408	8,216	8,124
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 1,361,780	$ 1,241,138	$ 1,249,589	$ 1,236,826	$ 1,113,917
4	OTHER OPERATION AND MAINTENANCE EXPENSES	748,849	796,480	698,516	736,646	726,789
5	DEPRECIATION AND AMORTIZATION EXPENSES	722,046	715,660	676,661	555,653	546,761
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	689,150	830,095	447,823	345,597	261,723
8	OTHER TAXES - OPERATING	540,597	536,783	575,131	543,674	446,141
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	428,456	403,537	445,258	455,216	588,637
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	46,500	46,500	46,500	46,500	46,500
11	EARNINGS AVAILABLE FOR COMMON EQUITY	804,485	899,404	522,811	546,387	504,536
12	TOTAL	$ 5,341,863	$ 5,471,606	$ 4,662,279	$ 4,466,499	$ 4,235,004
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	25.5	22.7	26.8	27.7	26.3
14	OTHER OPERATION AND MAINTENANCE EXPENSES	14.0	14.6	15.0	16.5	17.2
15	DEPRECIATION AND AMORTIZATION EXPENSES	13.5	13.1	14.5	12.4	12.9
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	12.9	15.2	9.6	7.7	6.2
18	OTHER TAXES - OPERATING	10.1	9.8	12.3	12.2	10.5
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.0	7.4	9.6	10.2	13.9
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.9	0.8	1.0	1.0	1.1
21	EARNINGS AVAILABLE FOR COMMON EQUITY	15.1	16.4	11.2	12.2	11.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 13.02	$ 12.02	$ 12.38	$ 12.55	$ 11.43
24	OTHER OPERATION AND MAINTENANCE EXPENSES	7.16	7.71	6.92	7.47	7.46
25	DEPRECIATION AND AMORTIZATION EXPENSES	6.91	6.93	6.71	5.64	5.61
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	6.59	8.04	4.44	3.51	2.68
28	OTHER TAXES - OPERATING	5.17	5.22	5.70	5.51	4.58
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.10	3.91	4.41	4.62	6.04
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.44	0.45	0.46	0.47	0.48
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.69	8.71	5.18	5.54	5.18
32	TOTAL	$ 51.09	$ 52.99	$ 46.21	$ 45.31	$ 43.44

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CHAZY AND WESTPORT TELEPHONE COMPANY

LINE NO	ITEM		1986		1985		1984		1983		1982
	ASSETS AND OTHER DEBITS										
1	TELEPHONE PLANT	$	4,286,496	$	4,000,227	$	3,713,477	$	3,336,196	$	3,193,301
2	ACCUMULATED PROVISION FOR DEPR+AMORT		1,262,261		1,079,703		892,695		949,952		780,471
3	NET TELEPHONE PLANT		3,024,235		2,920,524		2,820,782		2,386,244		2,412,830
4	INVESTMENTS IN AFFILIATED COMPANIES		89,078		64,559		57,653		25,621		14,732
5	ADVANCES TO AFFILIATED COMPANIES		-		-		-		-		-
6	MISCELLANEOUS PHYSICAL PROPERTY		75		75		75		75		75
7	OTHER INVESTMENTS AND FUNDS		174,700		162,700		92,700		89,700		89,700
8	TOTAL INVESTMENTS AND FUNDS		263,853		227,334		150,428		115,396		104,507
9	CASH AND WORKING FUNDS		35,675		34,610		52,567		57,454		21,012
10	SPECIAL CASH DEPOSITS		-		-		-		-		-
11	TEMPORARY CASH INVESTMENTS		-		-		-		1,000		-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S		64,847		89,695		42,621		45,961		7,388
13	OTHER NOTES AND ACCOUNTS RECEIVABLE		118,489		158,061		194,125		56,989		50,765
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS		164,192		154,968		149,952		149,685		160,090
15	MATERIALS AND SUPPLIES*		64,259		75,038		72,798		68,534		53,056
16	PREPAYMENTS		53,235		47,399		49,424		50,798		47,140
17	OTHER CURRENT AND ACCRUED ASSETS		66,040		58,504		50,975		44,232		38,341
18	TOTAL CURRENT AND ACCRUED ASSETS		566,737		618,275		612,462		474,653		377,792
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE		13,008		13,573		14,138		4,986		5,177
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS		-		-		-		-		-
21	RESEARCH AND DEVELOPMENT		-		-		-		-		-
22	OTHER DEFERRED DEBITS		-		-		-		-		-
23	TOTAL DEFERRED DEBITS		13,008		13,573		14,138		4,986		5,177
24	TOTAL ASSETS AND OTHER DEBITS		3,867,833	$	3,779,706	$	3,597,810	$	2,981,279	$	2,900,306
	LIABILITIES AND OTHER CREDITS										
25	COMMON CAPITAL STOCK	$	62,100	$	62,100	$	62,100	$	62,100	$	62,100
26	PREFERRED CAPITAL STOCK		130,000		130,000		130,000		130,000		130,000
27	STOCK LIABILITY FOR CONVERSION		-		-		-		-		-
28	PREMIUM ON CAPITAL STOCK		-		-		-		-		-
29	CAPITAL STOCK SUBSCRIBED		-		-		-		-		-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK		-		-		-		-		-
31	OTHER PAID-IN CAPITAL		-		-		-		-		-
32	CAPITAL STOCK EXPENSE		-		-		-		-		-
33	RETAINED EARNINGS		943,473		824,518		664,533		571,730		470,083
34	TOTAL PROPRIETARY CAPITAL		1,135,573		1,016,618		856,633		763,830		662,183
35	BONDS LESS BONDS REACQUIRED		2,168,357		2,203,238		1,730,921		1,761,232		1,785,462
36	ADVANCES FROM AFFILIATED COMPANIES		-		-		-		-		-
37	OTHER LONG-TERM DEBT		-		-		-		-		-
38	TOTAL LONG-TERM DEBT		2,168,357		2,203,238		1,730,921		1,761,232		1,785,462
39	NOTES+ACCTS PAY TO AFFILIATED CO'S		-		2,370		-		-		-
40	OTHER NOTES AND ACCOUNTS PAYABLE		163,224		211,667		747,279		207,718		264,936
41	CUSTOMERS DEPOSITS		1,071		1,085		450		250		1,025
42	ADVANCE BILLING AND PAYMENTS		17,048		14,706		20,076		15,120		11,839
43	TAXES ACCRUED		2,245-		14,625-		4,949		3,548		4,481
44	OTHER CURRENT AND ACCRUED LIABILITIES		7,290		7,285		9,830		19,452		14,090
45	TOTAL CURRENT AND ACCRUED LIABILITIES		186,388		222,488		782,584		246,088		296,371
46	UNAMORTIZED PREMIUM ON DEBT		-		-		-		-		-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS		48,730		52,934		57,997		61,956		63,606
48	OTHER DEFERRED CREDITS		448		-		-		-		-
49	TOTAL DEFERRED CREDITS		49,178		52,934		57,997		61,956		63,606
50	OPERATING RESERVES		-		-		-		-		-
51	ACCUMULATED DEFERRED INCOME TAXES		328,337		284,428		169,675		148,173		92,684
52	TOTAL LIABILITIES AND OTHER CREDITS	$	3,867,833	$	3,779,706	$	3,597,810	$	2,981,279	$	2,900,306
	SELECTED BALANCE SHEET RELATIONSHIPS										
53	CURRENT ASSETS/CURRENT LIABILITIES		3.04		2.78		0.78		1.93		1.27
	PERCENT OF CAPITALIZATION										
54	LONG TERM DEBT		65.6		68.4		66.8		69.7		72.9
55	PREFERRED STOCK		3.9		4.0		5.0		5.1		5.3
56	COMMON STOCK+OTHER PAID-IN CAPITAL		1.8		1.9		2.3		2.4		2.5
57	RETAINED EARNINGS		28.5		25.6		25.6		22.6		19.2
	LONG-TERM DEBT										
58	PERCENT OF GROSS TELEPHONE PLANT		50.5		55.0		46.6		52.7		55.9
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT		29.4		26.9		24.0		28.4		24.4

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CHAZY AND WESTPORT TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES $	1,550,892 $	1,633,876 $	1,559,294 $	1,388,265 $	1,294,719	1
OPERATION AND MAINTENANCE EXPENSE	922,142	937,644	1,024,466	797,486	719,341	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	173,567	164,555	208,815	204,574	201,670	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	128,274	125,176	137,902	124,508	100,684	6
INCOME TAXES-OPERATING	3,508-	752-	4,595-	4,180	4,151	7
OPERATING INCOME TAXES DEFERRED	43,909	114,753	21,502	55,489	58,184	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	1,264,384	1,341,376	1,388,090	1,186,237	1,084,030	10
TOTAL TELEPHONE OPERATING INCOME	286,508	292,500	171,204	202,028	210,689	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	181	1,518	988	78	-	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	29,843	12,110	37,189	16,891	9,068	17
TOTAL OTHER INCOME	30,024	13,628	38,177	16,969	9,068	18
TOTAL INCOME	316,532	306,128	209,381	218,997	219,757	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	1,187-	1,789	5,127	785	1,014	22
TOTAL INCOME DEDUCTIONS	1,187-	1,789	5,127	785	1,014	23
INCOME BEFORE INTEREST CHARGES	317,719	304,339	204,254	218,212	218,743	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	134,189	123,739	86,909	88,207	88,706	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	565	565	191	191	191	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	2,428	13,550	17,851	21,667	30,589	29
TOTAL INTEREST CHARGES	137,182	137,854	104,951	110,065	119,486	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	180,537	166,485	99,303	108,147	99,257	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	151	32
EXTRAORDINARY/DELAYED INCOME CHARGES	110,164-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	55,082-	-	-	-	151	35
NET INCOME $	125,455 $	166,485 $	99,303 $	108,147 $	99,408	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	824,518 $	664,533 $	571,730 $	470,083 $	377,175	37
BALANCE TRANSFERRED FROM INCOME	125,455	166,485	99,303	108,147	99,408	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	6,500	6,500	6,500	6,500	6,500	42
-COMMON STOCK	-	-	-	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	943,473	824,518	664,533	571,730	470,083	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR $	943,473 $	824,518 $	664,533 $	571,730 $	470,083	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	59.4	57.3	65.7	57.4	55.5	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	11.1	10.0	13.3	14.7	15.5	49
TOTAL INCOME TAXES-OPERATING	2.6	7.0	1.1	4.3	4.8	50
OTHER TAXES-OPERATING	8.2	7.6	8.8	8.9	7.7	51
TOTAL OPERATING EXPENSES	81.5	82.0	89.0	85.4	83.7	52
OPERATING INCOME	18.4	17.9	10.9	14.5	16.2	53
INTEREST EXPENSE						
PRETAX COVERAGE	2.6	3.0	2.1	2.5	2.3	54
NET INCOME-PERCENT OF OPERATING REVENUES	8.0	10.1	6.3	7.7	7.6	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	-	-	-	-	-	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	12.5	19.6	13.6	17.4	19.1	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CHAZY AND WESTPORT TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 180,537	$ 166,485	$ 99,303	$ 108,147	$ 99,257
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	221,318	207,090	250,318	242,686	232,247
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	39,705	109,690	17,543	53,839	56,944
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	16,098	7,196	2,979	15,157	25,220
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	457,658	490,461	370,143	419,829	413,668
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	55,082-	-	-	-	151
9	TOTAL FUNDS FROM INTERNAL SOURCES	402,576	490,461	370,143	419,829	413,819
10	LESS DIVIDENDS PREFERRED	6,500	6,500	6,500	6,500	6,500
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	396,076	483,961	363,643	413,329	407,319
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	505,574	-	-	58,540
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	280,762	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	505,574	280,762	-	58,540
20	OTHER SOURCES (NET)	21,274	-	116,551	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 417,350	$ 989,535	$ 760,956	$ 413,329	$ 465,859
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 340,562	$ 313,463	$ 687,644	$ 231,066	$ 360,848
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	340,562	313,463	687,644	231,066	360,848
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	340,562	313,463	687,644	231,066	360,848
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	34,881	33,257	30,311	24,230	22,189
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	425,762	-	20,000	20,000
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	34,881	459,019	30,311	44,230	42,189
37	OTHER USES (NET)	41,907	217,053	43,001	138,033	62,822
38						
39						
40	TOTAL FUNDS APPLIED	$ 417,350	$ 989,535	$ 760,956	$ 413,329	$ 465,859

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT

YEARS ENDING DECEMBER 31

CHAZY AND WESTPORT TELEPHONE COMPANY

ITEM		1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	372,473 $	350,970 $	346,404 $	351,961 $	347,570	1
ACCESS REVENUES		449,360	483,057				2
TOLL REVENUES		621,309	694,457	1,180,116	1,008,212	929,916	3
MISCELLANEOUS REVENUES		117,650	116,192	52,035	37,692	26,833	4
UNCOLLECTIBLE REVENUES-DR		9,900	10,800	19,261	9,600	9,600	5
TOTAL TELEPHONE OPERATING REVENUE	$	1,550,892 $	1,633,876 $	1,559,294 $	1,388,265 $	1,294,719	6
TELEPHONE ACCESS LINES IN SERVICE		2,621	2,522	2,530	2,411	2,262	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 144.85	$ 138.94	$ 140.22	$ 150.64	$ 153.25	8
ACCESS REVENUE		174.75	195.53				9
TOLL REVENUE		241.61	274.92	477.68	431.51	410.02	10
*YEAR END AVERAGE							
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	311,935 $	341,147 $	334,081 $	295,477 $	283,641	11
DEPRECIATION + AMORTIZATION EXPENSES		173,567	164,555	208,815	204,574	201,670	12
TRAFFIC EXPENSES		40,126	36,885	40,694	10,648	11,081	13
COMMERCIAL EXPENSES		124,900	121,130	118,258	91,596	78,634	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		288,019	278,911	308,006	265,789	219,074	16
OTHER OPERATING EXPENSES		157,162	159,571	223,427	133,976	126,911	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	1,095,709 $	1,102,199 $	1,233,281 $	1,002,060 $	921,011	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	4,177,445 $	3,897,018 $	3,589,670 $	3,259,764 $	3,102,613	19
PLANT UNDER CONSTRUCTION		109,051	103,209	123,807	76,432	90,688	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		4,286,496	4,000,227	3,713,477	3,336,196	3,193,301	24
ACCUMULATED PROVISION FOR DEPR+AMORT		1,262,261	1,079,703	892,695	949,952	780,471	25
NET TELEPHONE PLANT	$	3,024,235 $	2,920,524 $	2,820,782 $	2,386,244 $	2,412,830	26
PLANT IN SERVICE BEGINNING OF YEAR	$	3,897,018 $	3,589,670 $	3,259,764 $	3,102,613 $	2,905,190	27
ADDITIONS		334,720	334,061	640,269	245,322	282,648	28
RETIREMENTS		54,293	26,713	310,363	88,171	85,225	29
TRANSFERS AND ADJUSTMENTS		-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$	4,177,445 $	3,897,018 $	3,589,670 $	3,259,764 $	3,102,613	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CHAZY AND WESTPORT TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 1,550,892	$ 1,633,876	$ 1,559,294	$ 1,388,285	$ 1,294,719
2	ACCESS LINES (AVERAGE*)	2,572	2,526	2,471	2,337	2,268
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 427,498	$ 427,722	$ 379,906	$ 348,790	$ 327,325
4	OTHER OPERATION AND MAINTENANCE EXPENSES	494,644	509,922	644,560	448,736	392,016
5	DEPRECIATION AND AMORTIZATION EXPENSES	173,567	184,555	208,815	204,574	201,670
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	40,401	114,001	16,907	59,669	62,335
8	OTHER TAXES - OPERATING	128,274	125,176	137,902	124,508	100,684
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	137,182	137,864	104,951	110,065	119,486
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	6,500	6,500	6,500	6,500	6,500
11	EARNINGS AVAILABLE FOR COMMON EQUITY	142,826	148,146	59,753	86,463	84,703
12	TOTAL	$ 1,550,892	$ 1,633,876	$ 1,559,294	$ 1,388,285	$ 1,294,719
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	27.6	26.2	24.4	25.1	25.3
14	OTHER OPERATION AND MAINTENANCE EXPENSES	31.9	31.2	41.3	32.3	30.3
15	DEPRECIATION AND AMORTIZATION EXPENSES	11.2	10.1	13.4	14.7	15.6
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	2.6	7.0	1.1	4.3	4.8
18	OTHER TAXES - OPERATING	8.3	7.7	8.8	9.0	7.8
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.8	8.4	6.7	7.9	9.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.4	0.4	0.5	0.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.2	9.1	3.8	6.2	6.5
22	TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER AVERAGE ACCESS LINE PER MONTH			
23	WAGES AND BENEFITS	$ 13.85	$ 14.11	$ 12.81	$ 12.44	$ 12.03
24	OTHER OPERATION AND MAINTENANCE EXPENSES	16.03	16.82	21.74	16.00	14.40
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.62	5.43	7.04	7.30	7.41
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	1.31	3.76	0.57	2.13	2.29
28	OTHER TAXES - OPERATING	4.16	4.13	4.65	4.44	3.70
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.45	4.55	3.54	3.93	4.39
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.21	0.21	0.22	0.23	0.24
31	EARNINGS AVAILABLE FOR COMMON EQUITY	4.63	4.89	2.02	3.08	3.11
32	TOTAL	$ 50.25	$ 53.90	$ 52.59	$ 49.51	$ 47.57

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CITIZENS TELEPHONE CO OF HAMMOND, N Y , INC

LINE NO	ITEM	1986	1985	1984	1983	1982
				ASSETS AND OTHER DEBITS		
1	TELEPHONE PLANT	$ 1,857,255	$ 1,753,537	$ 1,654,821	$ 1,591,732	$ 1,488,941
2	ACCUMULATED PROVISION FOR DEPR+AMORT	557,350	475,875	384,847	332,664	258,158
3	NET TELEPHONE PLANT	1,299,905	1,277,662	1,269,974	1,259,068	1,230,783
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	3,564	5,406	-	-	-
7	OTHER INVESTMENTS AND FUNDS	20,000	5,000	450	-	-
8	TOTAL INVESTMENTS AND FUNDS	23,564	10,406	450	-	-
9	CASH AND WORKING FUNDS	20,302	18,780	13,819	1,998	78,936
10	SPECIAL CASH DEPOSITS	16,418	22,256	19,226	151,632	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	90,136	90,543	59,187	38,198	32,303
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	37,337	37,049	41,376	8,682	8,341
15	MATERIALS AND SUPPLIES*	22,400	8,120	15,436	15,359	10,736
16	PREPAYMENTS	15,142	12,921	10,106	12,796	13,953
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	5,308	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	201,735	189,669	164,458	228,663	143,869
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	11,488	11,924	1,250	12,796	13,232
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	12,360	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	5,228	11,019	2,881	1,938	1,885
23	TOTAL DEFERRED DEBITS	16,716	22,943	16,491	14,734	15,117
24	TOTAL ASSETS AND OTHER DEBITS	1,541,920	$ 1,500,680	$ 1,451,373	$ 1,500,465	$ 1,389,770
				LIABILITIES AND OTHER CREDITS		
25	COMMON CAPITAL STOCK	$ 42,000	$ 42,000	$ 42,000	$ 42,000	$ 42,000
26	PREFERRED CAPITAL STOCK	19,200	19,200	19,200	19,200	19,200
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	194,128	63,093	17,019	23,716-	26,046
34	TOTAL PROPRIETARY CAPITAL	255,328	124,293	78,219	37,484	87,246
35	BONDS (LESS BONDS REACQUIRED)	981,574	1,013,114	1,013,120	1,072,849	1,100,638
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	981,574	1,013,114	1,013,120	1,072,849	1,100,638
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	121,202	144,526	140,887	237,896	175,589
41	CUSTOMERS DEPOSITS	2,700	2,360	1,185	1,360	1,220
42	ADVANCE BILLING AND PAYMENTS	7,461	2,834	-	2,960	3,490
43	TAXES ACCRUED	2,930	16,238	23,054	10,903	6,566
44	OTHER CURRENT AND ACCRUED LIABILITIES	52,879	11,344	44,161	160	5,502
45	TOTAL CURRENT AND ACCRUED LIABILITIES	187,172	177,302	209,287	253,279	192,797
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM DEFERRED INVESTMENT TAX CREDITS	18,851	23,647	-	-	-
48	OTHER DEFERRED CREDITS	54,268	130,924	-	122,339	-
49	TOTAL DEFERRED CREDITS	73,118	154,571	-	122,339	-
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	44,730	31,400	150,747	14,514	9,089
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,541,920	$ 1,500,680	$ 1,451,373	$ 1,500,465	$ 1,389,770
				SELECTED BALANCE SHEET RELATIONSHIPS		
53	CURRENT ASSETS/CURRENT LIABILITIES	1.08	1.07	0.79	0.89	0.75
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	79.3	89.0	92.8	96.6	92.6
55	PREFERRED STOCK	1.5	1.6	1.7	1.7	1.6
56	COMMON STOCK+OTHER PAID-IN CAPITAL	3.3	3.6	3.8	3.7	3.5
57	RETAINED EARNINGS	15.6	5.5	1.5	2.0-	2.1
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	52.8	57.7	61.2	67.4	73.9
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	30.0	27.1	23.2	20.8	17.3

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CITIZENS TELEPHONE CO. OF HAMMOND,N.Y.,INC

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES $	836,740 $	715,208 $	575,492 $	531,215 $	511,579	1
OPERATION AND MAINTENANCE EXPENSE	592,831	476,258	388,910	358,806	293,293	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	83,479	72,306	69,778	65,863	61,599	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	71,180	60,159	60,914	48,953	45,829	6
INCOME TAXES-OPERATING	11,879	23,647	5,542	-	-	7
OPERATING INCOME TAXES DEFERRED	6,522	11,577	-	5,425	9,089	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	765,891	643,947	525,144	479,046	409,810	10
TOTAL TELEPHONE OPERATING INCOME	70,849	71,261	50,348	52,169	101,769	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	156	-	388	371	4,488	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	1,380-	-	-	16
MISCELLANEOUS INCOME	4,507	587	-	249	-	17
TOTAL OTHER INCOME	4,663	587	992-	620	4,488	18
TOTAL INCOME	75,512	71,848	49,356	52,789	106,257	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	3,588	2,215	1,892	1,692	2,773	22
TOTAL INCOME DEDUCTIONS	3,588	2,215	1,892	1,692	2,773	23
INCOME BEFORE INTEREST CHARGES	71,924	69,633	47,464	51,097	103,484	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	19,944	20,456	21,777	21,777	22,185	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	436	436	436	436	436	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	309	1,516	4,976	-	3,672	29
TOTAL INTEREST CHARGES	20,689	22,408	27,189	22,213	26,293	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	51,235	47,225	20,275	28,884	77,191	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	3,000	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	3,000	-	-	-	-	35
NET INCOME $	54,235 $	47,225 $	20,275 $	28,884 $	77,191	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	140,852 $	17,019 $	23,716-$	26,046 $	49,993-	37
BALANCE TRANSFERRED FROM INCOME	54,235	47,225	20,275	28,884	77,191	38
MISCELLANEOUS CREDITS	-	-	21,612	-	-	39
MISCELLANEOUS DEBITS	-	-	-	78,646		40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	959	1,152	1,152	-	1,152	42
-COMMON STOCK	-	-	-	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	194,128	63,093	17,019	23,716-	26,046	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR $	194,128 $	63,093 $	17,019 $	23,716-$	26,046	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	70.8	66.5	67.5	67.5	57.3	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	9.9	10.1	12.1	12.3	12.0	49
TOTAL INCOME TAXES-OPERATING	2.2	4.9	1.0	1.0	1.8	50
OTHER TAXES-OPERATING	8.5	8.4	10.5	9.2	8.9	51
TOTAL OPERATING EXPENSES	91.5	90.0	91.2	90.1	80.1	52
OPERATING INCOME	8.4	9.9	8.7	9.8	19.8	53
INTEREST EXPENSE						
PRETAX COVERAGE	4.2	4.7	1.9	2.5	4.3	54
NET INCOME-PERCENT OF OPERATING REVENUES	6.4	6.6	3.5	5.4	15.0	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	-	-	-	-	-	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	31.2	56.1	49.4	66.9	253.2	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CITIZENS TELEPHONE CO. OF HAMMOND, N.Y., INC.

LINE NO.	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 51,235	$ 47,225	$ 20,275	$ 28,884	$ 77,191
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	96,707	70,974	77,566	76,633	70,986
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	15,960	35,224	5,542	5,425	9,089
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	1,692	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	165,594	153,423	103,383	110,942	157,266
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	3,000	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	168,594	153,423	103,383	110,942	157,266
10	LESS DIVIDENDS: PREFERRED	960	1,152	1,152	-	1,152
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	167,634	152,271	102,231	110,942	156,114
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	5,360
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	1,004	40,000
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	1,004	45,360
20	OTHER SOURCES (NET)	8,000	-	19,785	123,043	10,734
21						
22						
23	TOTAL FUNDS PROVIDED	$ 175,634	$ 152,271	$ 122,016	$ 234,989	$ 212,208
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 74,846	$ 78,226	$ 88,035	$ 104,481	$ 180,921
25	NON-UTILITY PLANT	3,114	4,956	450	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	77,960	83,182	88,485	104,481	180,921
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	77,960	83,182	88,485	104,481	180,921
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	31,540	30,921	32,587	27,789	27,362
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	9,702	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	31,540	30,921	32,587	27,789	27,362
37	OTHER USES (NET)	66,134	38,168	944	102,719	3,925
38						
39						
40	TOTAL FUNDS APPLIED	$ 175,634	$ 152,271	$ 122,016	$ 234,989	$ 212,208

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

CITIZENS TELEPHONE CO OF HAMMOND, N.Y., INC

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 133,652	$ 121,499	$ 111,845	$ 78,901	$ 115,399	1
ACCESS REVENUES	209,674	129,027				2
TOLL REVENUES	469,562	461,586	463,695	455,060	391,299	3
MISCELLANEOUS REVENUES	25,058	1,414	3,444	2,154	6,081	4
UNCOLLECTIBLE REVENUES-DR	1,200	1,200	3,492	4,900	1,200	5
TOTAL TELEPHONE OPERATING REVENUE	$ 836,746	$ 712,326	$ 575,492	$ 531,215	$ 511,579	6
TELEPHONE ACCESS LINES IN SERVICE	1,139	1,096	936	1,011	960	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 119.60	$ 119.59	$ 114.89	$ 80.06	$ 120.77	8
ACCESS REVENUE	187.63	132.54				9
TOLL REVENUE	420.19	454.32	476.32	461.76	409.52	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 184,931	$ 210,557	$ 192,179	$ 144,309	$ 130,487	11
DEPRECIATION + AMORTIZATION EXPENSES	83,485	72,306	69,778	65,863	61,599	12
TRAFFIC EXPENSES	18,016	28,727	5,568	4,609	4,893	13
COMMERCIAL EXPENSES	30,534	25,089	24,449	20,503	19,968	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	169,769	123,627	98,744	73,748	73,568	16
OTHER OPERATING EXPENSES	189,581	88,258	67,970	115,636	64,377	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 676,316	$ 548,564	$ 458,688	$ 424,668	$ 354,892	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 1,795,263	$ 1,666,220	$ 1,620,312	$ 1,364,001	$ 1,339,512	19
PLANT UNDER CONSTRUCTION	39,999	73,632	9,132	200,662	120,668	20
PROPERTY HELD FOR FUTURE USE	-	-	25,377	-	-	21
PLANT ACQUISITION ADJUSTMENTS	21,993	23,685	-	27,069	28,761	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	1,857,255	1,763,537	1,654,821	1,591,732	1,488,941	24
ACCUMULATED PROVISION FOR DEPR+AMORT	557,350	475,875	384,847	332,664	258,158	25
NET TELEPHONE PLANT	$ 1,299,905	$ 1,277,662	$ 1,269,974	$ 1,259,068	$ 1,230,783	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,701,892	$ 1,620,312	$ 1,364,001	$ 1,339,512	$ 1,270,595	27
ADDITIONS	106,793	35,908	285,909	24,877	86,979	28
RETIREMENTS	13,422	-	29,598	-	18,062	29
TRANSFERS AND ADJUSTMENTS	-	-	-	388-	-	30
PLANT IN SERVICE END OF YEAR	$ 1,795,263	$ 1,666,220	$ 1,620,312	$ 1,364,001	$ 1,339,512	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CITIZENS TELEPHONE CO OF HAMMOND,N Y ,INC

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 836.746	$ 715.208	$ 575.492	$ 531,215	$ 511,579
2	ACCESS LINES (AVERAGE*)	1.118	1.016	974	986	956
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 256.079	$ 196.312	$ 173.430	$ 130,513	$ 114.460
4	OTHER OPERATION AND MAINTENANCE EXPENSES	336.752	279.946	215.480	228,292	178.833
5	DEPRECIATION AND AMORTIZATION EXPENSES	83.485	72.306	69.778	65.863	61.599
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	18.401	35.224	5.542	5,425	9.089
8	OTHER TAXES - OPERATING	71.180	60.159	60.914	48.953	45.829
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	20.689	22.408	27.189	22,213	26.293
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	960	1.152	1.152	-	1.152
11	EARNINGS AVAILABLE FOR COMMON EQUITY	49.200	47.701	22.007	29,956	74.324
12	TOTAL	$ 836.746	$ 715.208	$ 575.492	$ 531,215	$ 511,579
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	30 6	27 4	30 1	24 6	22 4
14	OTHER OPERATION AND MAINTENANCE EXPENSES	40 2	39 1	37 4	43 0	35 0
15	DEPRECIATION AND AMORTIZATION EXPENSES	10 0	10 1	12 1	12 4	12 0
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	2 2	4 9	1 0	1 0	1 8
18	OTHER TAXES - OPERATING	8 5	8 4	10 6	9 2	9 0
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2 5	3 1	4 7	4 2	5 1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0 1	0 2	0 2	-	0 2
21	EARNINGS AVAILABLE FOR COMMON EQUITY	5 9	6 7	3 8	5 6	14 5
22	TOTAL	100 0	100 0	100 0	100 0	100 0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 19 10	$ 16 10	$ 14 85	$ 11 04	$ 9 98
24	OTHER OPERATION AND MAINTENANCE EXPENSES	25 1[illegible]	22 96	18 45	19 30	15 60
25	DEPRECIATION AND AMORTIZATION EXPENSES	6 23	5 93	5 97	5 57	5 37
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	1 37	2.89	0 47	0 46	0 79
28	OTHER TAXES - OPERATING	5 31	4 93	5 21	4 14	4 00
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1 54	1 84	2 33	1 88	2 29
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0 07	0 09	0 10	-	0 10
31	EARNINGS AVAILABLE FOR COMMON EQUITY	3 67	3 91	1 88	2 53	6 48
32	TOTAL	$ 62.40	$ 58 66	$ 49 26	$ 44 92	$ 44 62

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CLYMER TELEPHONE COMPANY, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 1,459,587	$ 1,378,751	$ 1,373,642	$ 1,284,711	$ 1,251,962
2	ACCUMULATED PROVISION FOR DEPR+AMORT	582,143	554,335	510,371	451,263	399,045
3	NET TELEPHONE PLANT	877,444	824,416	863,271	833,448	852,917
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	41	533-	22	2,014	-
7	OTHER INVESTMENTS AND FUNDS	13,409	12,498	11,575	10,717	9,929
8	TOTAL INVESTMENTS AND FUNDS	13,450	11,965	11,597	12,731	9,929
9	CASH AND WORKING FUNDS	129,842	140,217	82,153	69,513	42,282
10	SPECIAL CASH DEPOSITS	-	-	150	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO S	1,483	34,134	13,329	6,037	278
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	34,063	19,934-	79,128	3,730	20,125
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	35,963	44,612	39,027	46,140	38,283
15	MATERIALS AND SUPPLIES*	-	5,262	12,674	13,939	11,309
16	PREPAYMENTS	7,292	7,369	8,798	9,649	8,569
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	208,643	211,660	235,259	149,008	120,846
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	5,151	5,364	5,576	5,788	6,001
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	53	2,034	4,898	2,895	2,566
23	TOTAL DEFERRED DEBITS	5,204	7,398	10,474	8,683	8,567
24	TOTAL ASSETS AND OTHER DEBITS	1,104,741	$ 1,055,439	$ 1,120,601	$ 1,003,870	$ 992,259
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 19,900	$ 19,900	$ 19,900	$ 19,900	$ 19,900
26	PREFERRED CAPITAL STOCK	40,000	40,000	40,000	40,000	40,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	500	500	500	500	500
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	258,926	248,238	243,950	216,764	199,315
34	TOTAL PROPRIETARY CAPITAL	319,326	308,638	304,350	277,164	259,715
35	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	556,604	567,346	577,551	587,205	596,374
38	TOTAL LONG-TERM DEBT	556,604	567,346	577,551	587,205	596,374
39	NOTES+ACCTS PAY TO AFFILIATED CO S	23,310	1,928-	17,625	15,840	14,384
40	OTHER NOTES AND ACCOUNTS PAYABLE	23,119	47,248	82,657	4,327	3,017
41	CUSTOMERS DEPOSITS	615	880	1,716	1,520	1,030
42	ADVANCE BILLING AND PAYMENTS	124	294	322	245	239
43	TAXES ACCRUED	4,148	17,963-	7,713	8,190	21,603
44	OTHER CURRENT AND ACCRUED LIABILITIES	16,648	14,371	14,792	8,932	7,914
45	TOTAL CURRENT AND ACCRUED LIABILITIES	67,964	42,902	124,824	39,054	48,187
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM DEFERRED INVESTMENT TAX CREDITS	43,335	41,625	39,059	35,817	36,159
48	OTHER DEFERRED CREDITS	-	49	49	-	-
49	TOTAL DEFERRED CREDITS	43,335	41,674	39,108	35,817	36,159
50	OPERATING RESERVES	2,491	2,528	3,331	7,200	6,400
51	ACCUMULATED DEFERRED INCOME TAXES	115,021	92,351	71,437	57,430	45,424
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,104,741	$ 1,055,439	$ 1,120,601	$ 1,003,870	$ 992,259
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	3.07	4.93	1.88	3.82	2.51
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	63.5	64.7	65.4	67.9	69.6
55	PREFERRED STOCK	4.5	4.5	4.5	4.6	4.6
56	COMMON STOCK+OTHER PAID-IN CAPITAL	2.3	2.3	2.3	2.3	2.3
57	RETAINED EARNINGS	29.5	28.3	27.6	25.0	23.2
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	38.1	41.1	42.0	45.7	47.6
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	39.8	40.2	37.1	35.1	31.8

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE ACCT 124

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CLYMER TELEPHONE COMPANY, INC

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 499,218	$ 450,750	$ 460,395	$ 449,091	$ 405,155	1
OPERATION AND MAINTENANCE EXPENSE	299,601	228,333	227,918	231,687	184,862	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	65,822	63,128	60,398	59,009	56,701	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	38,079	36,785	49,841	46,517	33,865	6
INCOME TAXES-OPERATING	12,907	4,316	20,463	23,432	26,934	7
OPERATING INCOME TAXES DEFERRED	24,424	26,133	19,612	19,232	17,546	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	1,803-	5,219-	5,605-	7,226-	948	9
TOTAL OPERATING EXPENSES	439,030	353,475	372,627	372,651	320,856	10
TOTAL TELEPHONE OPERATING INCOME	60,188	97,275	87,768	76,440	84,299	11
OTHER INCOME						
DIVIDEND INCOME	911	923	858	788	637	12
INTEREST INCOME	6,320	6,610	6,910	3,881	5,044	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	1	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	2,182-	1,457	693-	2,602-	58	17
TOTAL OTHER INCOME	5,049	8,990	7,076	2,067	5,739	18
TOTAL INCOME	65,237	106,265	94,844	78,507	90,038	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC TAXES-NONOPERATING	254	11	23	-	-	20
INCOME TAXES-NONOPERATING	190-	1,921	1,145	1,754	7,064	21
MISCELLANEOUS INCOME CHARGES	52	147	161	68	85	22
TOTAL INCOME DEDUCTIONS	116	2,079	1,329	1,822	7,149	23
INCOME BEFORE INTEREST CHARGES	65,121	104,186	93,515	76,685	82,889	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	30,655	31,149	31,707	32,194	32,701	25
AMORT OF DEBT DISCOUNT AND EXPENSE	212	212	212	212	212	26
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	69	466	169	148	157	29
TOTAL INTEREST CHARGES	30,936	31,827	32,088	32,554	33,070	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	34,185	72,359	61,427	44,131	49,819	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	10,332-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	10,332-	35
NET INCOME	$ 34,185	$ 72,359	$ 61,427	$ 44,131	$ 39,487	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 248,237	$ 243,950	$ 216,763	$ 199,315	$ 189,294	37
BALANCE TRANSFERRED FROM INCOME	34,185	72,360	61,427	44,131	39,487	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	2,800	2,800	2,798	2,802	2,800	42
-COMMON STOCK	20,696	65,272	31,442	23,880	26,666	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	258,926	248,238	243,950	216,764	199,315	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 258,926	$ 248,238	$ 243,950	$ 216,764	$ 199,315	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	60.0	50.6	49.5	51.5	45.6	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	13.1	14.0	13.1	13.1	13.9	49
TOTAL INCOME TAXES-OPERATING	7.1	5.6	7.5	7.9	11.2	50
OTHER TAXES-OPERATING	7.6	8.1	10.8	10.3	8.3	51
TOTAL OPERATING EXPENSES	87.9	78.4	80.9	82.9	79.1	52
OPERATING INCOME	12.0	21.6	19.0	17.0	20.8	53
INTEREST EXPENSE						
PRETAX COVERAGE	3.2	4.0	3.9	3.5	4.1	54
NET INCOME-PERCENT OF OPERATING REVENUES	6.8	16.0	13.3	9.8	9.7	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	65.9	93.8	53.6	57.7	72.6	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	11.4	26.1	23.3	18.0	17.0	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CLYMER TELEPHONE COMPANY, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 34,185	$ 72,360	$ 61,427	$ 44,131	$ 49,820
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	56,034	63,340	60,610	60,496	56,913
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	24,380	23,480	17,249	11,664	38,890
4	INTEREST CAPITALIZED	-	-	1-	-	-
5	OTHER (NET)	1,013	4,187	3,134	-	1,035
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	125,612	163,367	142,419	116,291	146,658
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	10,332-
9	TOTAL FUNDS FROM INTERNAL SOURCES	125,612	163,367	142,419	116,291	136,326
10	LESS DIVIDENDS: PREFERRED	2,800	2,800	2,799	2,802	2,800
11	COMMON	20,697	65,272	31,442	23,880	26,666
12	NET FUNDS FROM INTERNAL SOURCES	102,115	95,295	108,178	89,609	106,860
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	-
20	OTHER SOURCES (NET)	10,321	695-	140	5,595	28,980
21						
22						
23	TOTAL FUNDS PROVIDED	$ 112,436	$ 94,600	$ 108,318	$ 95,204	$ 135,840
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 101,694	$ 28,133	$ 93,495	$ 46,409	$ 127,364
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	101,694	28,133	93,495	46,409	127,364
28	LESS INTEREST CAPITALIZED	-	-	1	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	101,694	28,133	93,494	46,409	127,364
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	10,742	10,205	9,654	9,169	8,476
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	10,742	10,205	9,654	9,169	8,476
37	OTHER USES (NET)	-	56,262	5,170	39,626	-
38						
39						
40	TOTAL FUNDS APPLIED	$ 112,436	$ 94,600	$ 108,318	$ 95,204	$ 135,840

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

CLYMER TELEPHONE COMPANY, INC

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 141,702	$ 132,445	$ 130,752	$ 124,900	$ 116,894	1
ACCESS REVENUES	230,453	201,296				2
TOLL REVENUES	88,938	99,342	307,616	322,788	287,712	3
MISCELLANEOUS REVENUES	38,846	18,387	22,827	3,578	2,254	4
UNCOLLECTIBLE REVENUES-DR	720	720	800	2,175	1,705	5
TOTAL TELEPHONE OPERATING REVENUE	$ 499,219	$ 450,750	$ 460,395	$ 449,091	$ 405,155	6
TELEPHONE ACCESS LINES IN SERVICE	882	881	842	828	823	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 160.76	$ 153.74	$ 156.59	$ 151.30	$ 143.08	8
ACCESS REVENUE	261.43	241.07				9
TOLL REVENUE	100.89	115.31	368.40	391.02	352.16	10

*YEAR END AVERAGE

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 99,891	$ 62,336	$ 58,605	$ 73,548	$ 62,044	11
DEPRECIATION + AMORTIZATION EXPENSES	65,622	63,128	60,398	59,009	56,701	12
TRAFFIC EXPENSES	16,325	15,019	9,889	5,300	4,097	13
COMMERCIAL EXPENSES	50,989	45,014	51,944	48,522	40,792	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	113,518	88,139	84,572	71,751	59,188	16
OTHER OPERATING EXPENSES	19,078	17,825	22,908	32,566	18,741	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 365,423	$ 291,461	$ 288,316	$ 290,696	$ 241,563	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 1,433,876	$ 1,370,368	$ 1,346,154	$ 1,276,724	$ 1,251,982	19
PLANT UNDER CONSTRUCTION	25,711	8,383	27,488	7,987	-	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	1,459,587	1,378,751	1,373,642	1,284,711	1,251,982	24
ACCUMULATED PROVISION FOR DEPR+AMORT	582,143	554,335	510,371	451,263	399,045	25
NET TELEPHONE PLANT	$ 877,444	$ 824,416	$ 863,271	$ 833,448	$ 852,917	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,370,368	$ 1,346,154	$ 1,276,724	$ 1,251,982	$ 1,179,392	27
ADDITIONS	87,256	46,842	73,993	38,422	128,691	28
RETIREMENTS	23,748	22,628	4,563	13,680	56,121	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 1,433,876	$ 1,370,368	$ 1,346,154	$ 1,276,724	$ 1,251,982	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CLYMER TELEPHONE COMPANY, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 499.218	$ 450,750	$ 460,395	$ 449,091	$ 405,155
2	ACCESS LINES (AVERAGE*)	882	862	835	826	817
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 35.341	$ 45,258	$ 56,562	$ 60,816	$ 53 093
4	OTHER OPERATION AND MAINTENANCE EXPENSES	264.260	183,075	171,356	170,871	131.769
5	DEPRECIATION AND AMORTIZATION EXPENSES	65.822	63,128	60,398	59,009	56.701
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	35.528	25,229	34,470	35,438	45.428
8	OTHER TAXES - OPERATING	38.079	36,785	49,841	46,517	33.865
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	30.936	31,827	32,088	32,554	33.070
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	2.800	2,800	2,798	2,802	2,800
11	EARNINGS AVAILABLE FOR COMMON EQUITY	26.452	62,648	52,882	41,084	48,429
12	TOTAL	$ 499.218	$ 450,750	$ 460,395	$ 449,091	$ 405.155
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	7 1	10 0	12 3	13 5	13 1
14	OTHER OPERATION AND MAINTENANCE EXPENSES	52 9	40 6	37 2	38 0	32 5
15	DEPRECIATION AND AMORTIZATION EXPENSES	13 2	14 0	13 1	13 1	14 0
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	7 1	5 6	7 5	7 9	11 2
18	OTHER TAXES - OPERATING	7 6	8 2	10 8	10 4	8 4
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	6 2	7 1	7 0	7 2	8 2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0 6	0 6	0 6	0 6	0 7
21	EARNINGS AVAILABLE FOR COMMON EQUITY	5 3	13 9	11 5	9 1	12 0
22	TOTAL	100 0	100 0	100 0	100 0	100 0
			DOLLARS PER AVERAGE ACCESS LINE PER MONTH			
23	WAGES AND BENEFITS	$ 3 34	$ 4 38	$ 5 64	$ 6 14	$ 5 42
24	OTHER OPERATION AND MAINTENANCE EXPENSES	24 98	17 71	17 10	17 25	13 44
25	DEPRECIATION AND AMORTIZATION EXPENSES	6 22	6 11	6 03	5 96	5 78
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	3 36	2 44	3 44	3 58	4 63
28	OTHER TAXES - OPERATING	3 60	3 56	4 97	4 70	3 45
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2 92	3 08	3 20	3 29	3 37
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0 26	0 27	0 28	0 28	0 29
31	EARNINGS AVAILABLE FOR COMMON EQUITY	2 50	6 06	5 28	4 15	4 94
32	TOTAL	$ 47 19	$ 43 60	$ 45 95	$ 45 34	$ 41 33

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CONTINENTAL TELEPHONE COMPANY OF NEW YORK, INC

LINE NO	ITEM		1986		1985		1984		1983	1982
	ASSETS AND OTHER DEBITS									
1	TELEPHONE PLANT	$	390,017,763	$	383,285,097	$	343,011,267	$	327,175,281	-
2	ACCUMULATED PROVISION FOR DEPR+AMORT		120,550,912		113,198,993		107,766,676		101,366,529	-
3	NET TELEPHONE PLANT		269,466,851		270,086,104		235,244,591		225,808,752	-
4	INVESTMENTS IN AFFILIATED COMPANIES		-		-		-		-	-
5	ADVANCES TO AFFILIATED COMPANIES		-		-		-		-	-
6	MISCELLANEOUS PHYSICAL PROPERTY		130,419		226,157		85,330		90,648	-
7	OTHER INVESTMENTS AND FUNDS		215,900		215,900		215,900		215,900	-
8	TOTAL INVESTMENTS AND FUNDS		346,319		442,057		301,230		306,548	-
9	CASH AND WORKING FUNDS		4,235,443		9,233,205		4,462,395		3,430,689	-
10	SPECIAL CASH DEPOSITS		1,016,500		777,500		313,300		22,951	-
11	TEMPORARY CASH INVESTMENTS		-		-		-		-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO S		1,087,068		242,272		247,020		179,274	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE		3,856,429		17,766,196		12,180,686		8,890,737	-
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS		19,207,926		17,850,344		14,047,989		13,026,931	-
15	MATERIALS AND SUPPLIES*		1,213,340		1,746,834		3,656,872		2,275,135	-
16	PREPAYMENTS		2,385,052		2,083,279		2,166,686		2,152,476	-
17	OTHER CURRENT AND ACCRUED ASSETS		340,499		2,868,097		1,000,920		539,597	-
18	TOTAL CURRENT AND ACCRUED ASSETS		33,303,257		52,576,727		38,074,797		30,317,790	-
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE		1,875,254		1,906,928		1,911,247		1,851,085	-
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS		-		-		-		-	-
21	RESEARCH AND DEVELOPMENT		-		-		-		-	-
22	OTHER DEFERRED DEBITS		251,889		404,801		315,307		106,793	-
23	TOTAL DEFERRED DEBITS		2,127,143		2,311,729		2,226,554		1,957,878	-
24	TOTAL ASSETS AND OTHER DEBITS		305,243,570	$	305,416,617	$	275,847,172	$	258,390,968	-
	LIABILITIES AND OTHER CREDITS									
25	COMMON CAPITAL STOCK	$	37,000,000	$	37,000,000	$	37,000,000	$	37,000,000	-
26	PREFERRED CAPITAL STOCK		-		-		-		-	-
27	STOCK LIABILITY FOR CONVERSION		-		-		-		-	-
28	PREMIUM ON CAPITAL STOCK		1,736,960		1,736,960		1,736,960		1,736,960	-
29	CAPITAL STOCK SUBSCRIBED		-		-		-		-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK		-		-		-		-	-
31	OTHER PAID-IN CAPITAL		25,267,932		25,267,932		25,267,932		25,267,932	-
32	CAPITAL STOCK EXPENSE		-		-		-		-	-
33	RETAINED EARNINGS		39,387,949		34,583,879		31,218,824		32,662,817	-
34	TOTAL PROPRIETARY CAPITAL		103,392,841		98,588,771		95,223,716		96,667,709	-
35	BONDS LESS BONDS REACQUIRED		105,649,011		96,273,387		100,015,124		87,049,275	-
36	ADVANCES FROM AFFILIATED COMPANIES		-		-		-		-	-
37	OTHER LONG-TERM DEBT		-		15,000,000		-		-	-
38	TOTAL LONG-TERM DEBT		105,649,011		111,273,387		100,015,124		87,049,275	-
39	NOTES+ACCTS PAY TO AFFILIATED CO S		2,233,800		1,265,974		2,621,711		2,595,998	-
40	OTHER NOTES AND ACCOUNTS PAYABLE		22,435,674		24,778,109		15,067,890		18,349,200	-
41	CUSTOMERS DEPOSITS		277,129		348,308		770,501		761,456	-
42	ADVANCE BILLING AND PAYMENTS		1,859,930		7,053,813		6,568,199		3,820,447	-
43	TAXES ACCRUED		4,146,965		2,805,771		4,142,011		1,737,938	-
44	OTHER CURRENT AND ACCRUED LIABILITIES		8,229,242		8,344,073		8,240,305		8,784,807	-
45	TOTAL CURRENT AND ACCRUED LIABILITIES		39,182,540		45,196,048		37,410,617		36,049,846	-
46	UNAMORTIZED PREMIUM ON DEBT		-		-		-		-	-
47	ACCUM DEFERRED INVESTMENT TAX CREDITS		14,952,025		15,684,730		14,298,963		12,682,891	-
48	OTHER DEFERRED CREDITS		3,637,295		2,184,443		2,142,083		2,139,975	-
49	TOTAL DEFERRED CREDITS		18,589,320		17,869,173		16,441,046		14,822,866	-
50	OPERATING RESERVES		-		-		-		-	-
51	ACCUMULATED DEFERRED INCOME TAXES		38,428,958		32,499,268		25,756,669		23,801,272	-
52	TOTAL LIABILITIES AND OTHER CREDITS	$	305,243,570	$	305,416,617	$	275,847,172	$	258,390,968	-
	SELECTED BALANCE SHEET RELATIONSHIPS									
53	CURRENT ASSETS/CURRENT LIABILITIES		0.85		1.16		1.02		0.84	-
	PERCENT OF CAPITALIZATION									
54	LONG TERM DEBT		50.5		53.0		51.2		47.3	-
55	PREFERRED STOCK		-		-		-		-	-
56	COMMON STOCK+OTHER PAID-IN CAPITAL		30.6		30.4		32.7		34.8	-
57	RETAINED EARNINGS		18.8		16.4		15.9		17.7	-
	LONG-TERM DEBT									
58	PERCENT OF GROSS TELEPHONE PLANT		27.0		30.6		29.1		26.6	-
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT		30.9		31.1		31.4		30.9	-

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CONTINENTAL TELEPHONE COMPANY OF NEW YORK, INC

ITEM		1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS							
TELEPHONE OPERATING INCOME							
OPERATING REVENUES	$	146,532,529 $	140,889,280 $	129,063,932 $	117,176,227	-	1
OPERATION AND MAINTENANCE EXPENSE		69,483,538	66,951,172	61,773,659	56,587,500	-	2
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	3
DEPRECIATION		22,551,389	20,591,643	21,593,944	20,931,371	-	4
AMORTIZATION		170,345	170,345	170,345	170,345	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING		13,888,045	13,116,980	15,489,384	14,674,375	-	6
INCOME TAXES-OPERATING		5,978,103	8,012,276	6,067,864	3,726,872	-	7
OPERATING INCOME TAXES DEFERRED		7,146,976	6,041,463	4,126,987	3,106,030	-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING		10,578-	29,042-	59,044-	89,232-	-	9
TOTAL OPERATING EXPENSES		119,207,818	114,854,837	109,163,139	99,107,261	-	10
TOTAL TELEPHONE OPERATING INCOME		27,324,711	26,034,443	19,900,793	18,068,966	-	11
OTHER INCOME							
DIVIDEND INCOME		-	170	160	140	-	12
INTEREST INCOME		724,530	291,252	427,538	219,218	-	13
ALLOWANCE FOR CONSTRUCTION FUNDS		991,693	582,014	557,714	586,347	-	14
INCOME FROM SINKING AND OTHER FUNDS		-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY		377-	18,641-	7,299-	1,586-	-	16
MISCELLANEOUS INCOME		1,445,306-	3,313,336-	251,970	110,200	-	17
TOTAL OTHER INCOME		270,540	2,458,541-	1,230,083	914,319	-	18
TOTAL INCOME		27,595,251	23,575,902	21,130,876	18,983,285	-	19
INCOME DEDUCTIONS							
TAXES OTHER THAN INC. TAXES-NONOPERATING		223,757	285,744	217,272	304,357	-	20
INCOME TAXES-NONOPERATING		615,632-	1,636,626-	10,621	84,554-	-	21
MISCELLANEOUS INCOME CHARGES		399,301	231,271	74,627	86,153	-	22
TOTAL INCOME DEDUCTIONS		7,426	1,119,611-	302,520	305,956	-	23
INCOME BEFORE INTEREST CHARGES		27,587,825	24,695,513	20,828,356	18,677,329	-	24
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		10,052,911	8,234,801	7,729,795	7,030,827	-	25
AMORT. OF DEBT DISCOUNT AND EXPENSE		152,544	129,011	119,728	113,307	-	26
AMORT. OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES		-	-	-	-	-	28
OTHER INTEREST EXPENSE		78,724	428,118	903,242	472,304	-	29
TOTAL INTEREST CHARGES		10,284,179	8,791,930	8,752,765	7,616,438	-	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS		17,303,646	15,903,583	12,075,591	11,060,891	-	31
EXTRAORDINARY/DELAYED ITEMS							
EXTRAORDINARY/DELAYED INCOME CREDITS		4,013	-	1,320	2,692	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES		15,848-	71,346-	37,586-	338-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS		12,259-	32,818-	16,682-	1,084	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT		424	38,528-	19,584-	1,270	-	35
NET INCOME	$	17,304,070 $	15,865,055 $	12,056,007 $	11,062,161	-	36
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$	34,583,879 $	31,218,824 $	32,662,817 $	32,633,772	-	37
BALANCE TRANSFERRED FROM INCOME		17,304,070	15,865,055	12,056,007	11,062,161	-	38
MISCELLANEOUS CREDITS		-	-	-	-	-	39
MISCELLANEOUS DEBITS		-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK		-	-	-	33,116	-	42
-COMMON STOCK		12,500,000	12,500,000	13,500,000	11,000,000	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR		39,387,949	34,583,879	31,218,824	32,662,817	-	44
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$	39,387,949 $	34,583,879 $	31,218,824 $	32,662,817	-	46
SELECTED INCOME ACCOUNT RELATIONSHIPS							
PERCENT OF TELEPHONE OPERATING REVENUES							
OPERATION AND MAINTENANCE EXPENSE		47.4	47.5	47.8	48.2	-	47
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION		15.5	14.7	16.8	18.0	-	49
TOTAL INCOME TAXES-OPERATING		8.9	10.0	7.9	5.8	-	50
OTHER TAXES-OPERATING		9.4	9.3	12.0	12.5	-	51
TOTAL OPERATING EXPENSES		81.3	81.5	84.5	84.5	-	52
OPERATING INCOME		18.6	18.4	15.4	15.4	-	53
INTEREST EXPENSE							
PRETAX COVERAGE		3.9	4.2	3.5	3.3	-	54
NET INCOME-PERCENT OF OPERATING REVENUES		11.8	11.2	9.3	9.4	-	55
DIVIDEND APPROPRIATIONS, COMMON STOCK PERCENT OF EARNINGS AVAILABLE		72.2	78.7	111.9	99.7	-	56
PERCENT OF AVERAGE COMMON EQUITY EARNINGS AVAILABLE FOR COMMON STOCK		17.1	16.3	12.5	11.4	-	57

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MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CONTINENTAL TELEPHONE COMPANY OF NEW YORK, INC.

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 17,303,646	$ 15,903,583	$ 12,075,598	$ 11,080,891	-
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	22,956,540	21,096,299	21,884,508	21,208,010	
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	6,371,638	7,310,188	5,373,430	4,600,178	-
4	INTEREST CAPITALIZED	991,693-	582,014-	557,714-	586,347-	-
5	OTHER (NET)	3,126,193	2,982,239	2,352,742	1,443,257	-
6						-
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	48,766,322	46,870,302	41,128,564	37,725,989	-
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	425	38,528-	19,584-	1,270	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	48,766,747	46,831,774	41,108,980	37,727,259	-
10	LESS DIVIDENDS: PREFERRED	-	-	-	33,116	-
11	COMMON	12,500,000	12,700,000	13,500,000	11,000,000	-
12	NET FUNDS FROM INTERNAL SOURCES	36,266,747	34,131,774	27,608,980	26,694,143	-
	EXTERNAL SOURCES					
13	LONG TERM DEBT	15,000,000	15,000,000	15,000,000	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	9,800,000	-
17	OTHER (NET)	-	-	-	-	-
18						-
19	TOTAL FUNDS FROM EXTERNAL SOURCES	15,000,000	15,000,000	15,000,000	9,800,000	-
20	OTHER SOURCES (NET)	13,633,944	-	2,617,932	630,955	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 64,900,691	$ 49,131,774	$ 45,226,912	$ 37,125,098	-
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 45,310,937	$ 38,751,040	$ 33,600,758	$ 34,030,826	-
25	NON-UTILITY PLANT	41,999-	147,934	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	45,268,938	38,898,974	33,600,758	34,030,826	-
28	LESS INTEREST CAPITALIZED	991,693	582,014	557,714	586,347	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	44,277,245	38,316,960	33,043,044	33,444,479	-
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	20,623,446	3,741,767	2,034,151	2,117,323	-
31	PREFERRED STOCK	-	-	-	1,330,650	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	6,000,000	9,000,000	-	-
34	OTHER (NET)	-	-	-	-	-
35						-
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	20,623,446	9,741,767	11,034,151	3,447,973	-
37	OTHER USES (NET)	-	1,073,047	1,149,717	232,646	-
38						
39						
40	TOTAL FUNDS APPLIED	$ 64,900,691	$ 49,131,774	$ 45,226,912	$ 37,125,098	-

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

CONTINENTAL TELEPHONE COMPANY OF NEW YORK, INC

ITEM	1986	1985	1984	1983	1982	LINE NO
		TELEPHONE OPERATING REVENUES				
OPERATING REVENUES						
LOCAL REVENUES	$ 47,929,721 $	48,122,699 $	45,178,280 $	41,162,036	-	1
ACCESS REVENUES	91,765,461	85,159,412				2
TOLL REVENUES	608,058	778,758	79,944,050	72,502,984	-	3
MISCELLANEOUS REVENUES	7,204,502	7,240,340	4,812,187	4,285,590	-	4
UNCOLLECTIBLE REVENUES-DR	975,213	411,929	870,574	774,383	-	5
TOTAL TELEPHONE OPERATING REVENUE	$ 146,532,529 $	140,889,280 $	129,063,932 $	117,176,227	-	6
TELEPHONE ACCESS LINES IN SERVICE	218,373	210,998	204,617	199,848	-	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 223.26	$ 231.57	$ 223.40	-	-	8
ACCESS REVENUE	427.44	421.10				9
TOLL REVENUE	2.83	3.76	395.31	-	-	10

*YEAR END AVERAGE

ITEM	1986	1985	1984	1983	1982	LINE NO
		TELEPHONE OPERATION AND MAINTENANCE EXPENSES				
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 29,891,214 $	29,291,658 $	27,635,413 $	25,557,118	-	11
DEPRECIATION + AMORTIZATION EXPENSES	22,721,734	20,761,988	21,764,289	21,101,716	-	12
TRAFFIC EXPENSES	5,487,823	6,974,945	7,220,270	5,508,838	-	13
COMMERCIAL EXPENSES	8,928,052	8,048,905	7,173,796	6,997,274	-	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	12,008,883	10,832,196	9,859,290	8,430,870	-	16
OTHER OPERATING EXPENSES	12,170,566	11,803,468	9,884,890	9,093,400	-	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 91,208,272 $	87,713,160 $	83,537,948 $	77,689,216	-	18
		TELEPHONE UTILITY PLANT				
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 380,555,339 $	363,620,942 $	335,195,525 $	322,142,932	-	19
PLANT UNDER CONSTRUCTION	8,542,946	8,573,833	6,554,576	3,600,339	-	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	562,907	733,811	904,675	1,075,499	-	22
PLANT ADJUSTMENTS	356,511	356,511	356,511	356,511	-	23
TOTAL TELEPHONE UTILITY PLANT	390,017,703	373,285,097	343,011,287	327,175,281	-	24
ACCUMULATED PROVISION FOR DEPR+AMORT	120,550,912	113,198,993	107,766,696	101,366,529	-	25
NET TELEPHONE PLANT	$ 269,466,791 $	260,086,104 $	235,244,591 $	225,808,752	-	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 363,620,942 $	335,195,525 $	322,142,932 $	306,173,081	-	27
ADDITIONS	35,331,136	38,887,946	30,646,521	34,270,642	-	28
RETIREMENTS	18,407,427	10,462,529	17,593,928	18,300,791	-	29
TRANSFERS AND ADJUSTMENTS	10,689	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 380,555,339 $	363,620,942 $	335,195,525 $	322,142,932	-	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CONTINENTAL TELEPHONE COMPANY OF NEW YORK, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 146,532,529	$ 140,889,280	$ 129,063,932	$ 117,176,227	-
2	ACCESS LINES (AVERAGE*)	214,686	207,808	202,233	-	-
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 35,206,883	$ 34,560,546	$ 35,621,999	$ 33,926,198	-
4	OTHER OPERATION AND MAINTENANCE EXPENSES	34,276,655	32,390,626	26,151,660	22,661,302	-
5	DEPRECIATION AND AMORTIZATION EXPENSES	22,721,734	20,761,988	21,764,289	21,101,716	-
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	13,114,501	14,024,697	10,135,807	6,743,670	-
8	OTHER TAXES - OPERATING	13,888,045	13,116,980	15,489,384	14,674,375	-
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	9,916,215	8,603,939	8,524,660	7,380,727	-
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	33,116	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	17,408,496	17,430,504	11,376,133	10,655,123	-
12	TOTAL	$ 146,532,529	$ 140,889,280	$ 129,063,932	$ 117,176,227	-
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	24.0	24.5	27.6	29.0	-
14	OTHER OPERATION AND MAINTENANCE EXPENSES	23.4	23.0	20.3	19.3	-
15	DEPRECIATION AND AMORTIZATION EXPENSES	15.5	14.7	16.9	18.0	-
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	8.9	10.0	7.9	5.8	-
18	OTHER TAXES - OPERATING	9.5	9.3	12.0	12.5	-
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	6.8	6.1	6.6	6.3	-
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	11.9	12.4	8.8	9.1	-
22	TOTAL	100.0	100.0	100.0	100.0	-
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 13.67	$ 13.86	$ 14.68	-	-
24	OTHER OPERATION AND MAINTENANCE EXPENSES	13.30	12.99	10.78	-	-
25	DEPRECIATION AND AMORTIZATION EXPENSES	8.82	8.33	8.97	-	-
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	5.09	5.62	4.18	-	-
28	OTHER TAXES - OPERATING	5.39	5.26	6.38	-	-
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.85	3.45	3.51	-	-
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	6.76	6.99	4.69	-	-
32	TOTAL	$ 56.88	$ 56.50	$ 53.18	-	-

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CROWN POINT TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 1,543,892	$ 1,535,802	$ 1,136,971	$ 1,118,316	$ 1,118,811
2	ACCUMULATED PROVISION FOR DEPR+AMORT	465,794	532,158	457,704	389,535	316,019
3	NET TELEPHONE PLANT	1,078,098	1,003,644	679,267	728,781	802,792
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	20,000	8,000	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	20,000	8,000	-	-	-
9	CASH AND WORKING FUNDS	7,458	186,327	5,786	5,464	1,201
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	31,174	17,316	29,641	43,433	23,511
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	46,133	57,188	53,213	44,074	21,649
15	MATERIALS AND SUPPLIES*	26,284	23,778	30,771	21,725	5,573
16	PREPAYMENTS	17,686	13,674	12,946	11,551	10,237
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	128,735	298,283	132,356	126,247	62,171
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	11,068	11,342	11,616	11,891	5,773
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	1,138	415	1,386	143	7
23	TOTAL DEFERRED DEBITS	12,206	11,757	13,002	12,034	5,780
24	TOTAL ASSETS AND OTHER DEBITS	1,239,039	$ 1,321,684	$ 824,625	$ 867,062	$ 870,743
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 24,300	$ 24,300	$ 24,300	$ 24,300	$ 24,300
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	4,863	4,863	4,863	4,863	4,863
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	144,942	137,918	118,337	124,844	117,389
34	TOTAL PROPRIETARY CAPITAL	174,105	167,081	147,500	154,007	146,552
35	BONDS (LESS BONDS REACQUIRED)	876,707	891,521	566,838	509,615	522,916
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	9,243	19,243	29,243
38	TOTAL LONG-TERM DEBT	876,707	891,521	576,081	528,858	552,159
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	154,645	239,824	73,927	152,966	144,493
41	CUSTOMERS DEPOSITS	440	3,251	2,113	2,672	3,084
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	5,349	5,257-	353	3,835	2,168
44	OTHER CURRENT AND ACCRUED LIABILITIES	13,309	11,631	13,370	13,381	11,905
45	TOTAL CURRENT AND ACCRUED LIABILITIES	173,743	249,449	89,763	172,854	161,650
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM DEFERRED INVESTMENT TAX CREDITS	2,911	3,241	3,571	3,901	4,231
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	2,911	3,241	3,571	3,901	4,231
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	11,573	10,392	[illegible]	7,442	6,151
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,239,039	$ 1,321,684	$ 824,625	$ 867,062	$ 870,743
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	0.74	1.20	1.47	0.73	0.38
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	83.4	84.2	79.6	77.4	79.0
55	PREFERRED STOCK	-	-	-	-	-
56	COMMON STOCK+OTHER PAID-IN CAPITAL	2.7	2.7	4.0	4.2	4.1
57	RETAINED EARNINGS	13.7	13.0	16.3	18.2	16.8
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	56.7	58.0	50.6	47.2	49.3
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	30.1	34.6	40.2	34.8	28.2

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CROWN POINT TELEPHONE CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 597,566	$ 533,602	$ 494,414	$ 461,305	$ 409,104	1
OPERATION AND MAINTENANCE EXPENSE	410,682	348,612	346,159	321,163	252,667	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	72,267	63,425	63,431	62,879	37,913	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	59,649	51,588	56,724	54,670	45,200	6
INCOME TAXES-OPERATING	-	-	-	330-	255	7
OPERATING INCOME TAXES DEFERRED	1,181	2,682	268	-	4,997	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	543,779	466,307	466,582	438,382	341,032	10
TOTAL TELEPHONE OPERATING INCOME	53,787	67,295	27,832	22,923	68,072	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	8	3	3	2	58	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	1,043	14,803-	1,770	5,785	662-	17
TOTAL OTHER INCOME	1,051	14,800-	1,773	5,787	604-	18
TOTAL INCOME	54,838	52,496	29,605	28,710	67,468	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	-	-	-	-	-	22
TOTAL INCOME DEDUCTIONS	-	-	-	-	-	23
INCOME BEFORE INTEREST CHARGES	54,838	52,496	29,605	28,710	67,468	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	44,503	29,530	26,529	27,813	29,865	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	274	274	274	274	274	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	3,037	3,110	9,309	11,155	10,176	29
TOTAL INTEREST CHARGES	47,814	32,914	36,112	39,242	40,315	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	7,024	19,581	6,507-	10,532-	27,153	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	21,900	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	2,622-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	1,291	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	17,987	-	35
NET INCOME	$ 7,024	$ 19,581	$ 6,507-	$ 7,455	$ 27,153	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 137,918	$ 118,337	$ 124,844	$ 117,389	$ 90,236	37
BALANCE TRANSFERRED FROM INCOME	7,024	19,581	6,507-	7,455	27,153	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	-	-	-	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	144,942	137,918	118,337	124,844	117,389	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 144,942	$ 137,918	$ 118,337	$ 124,844	$ 117,389	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	68.7	65.3	70.0	69.6	61.7	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	12.0	11.8	12.8	13.6	9.2	49
TOTAL INCOME TAXES-OPERATING	0.2	0.5	0.1	-	1.3	50
OTHER TAXES-OPERATING	9.9	9.6	11.4	11.8	11.0	51
TOTAL OPERATING EXPENSES	90.9	87.3	94.3	95.0	83.3	52
OPERATING INCOME	9.0	12.6	5.6	4.9	16.6	53
INTEREST EXPENSE						
PRETAX COVERAGE	1.2	1.7	0.8	0.7	1.8	54
NET INCOME-PERCENT OF OPERATING REVENUES	1.1	3.6	1.2-	1.6	6.6	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	-	-	-	-	-	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	4.1	12.4	4.2-	4.9	20.4	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CROWN POINT TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 7,024	$ 19,581	$ 6,507-	$ 10,532-	$ 27,153
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	72,542	76,482	76,777	76,385	55,109
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	851	2,352	62-	961	5,252
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	80,417	98,415	70,208	66,814	87,514
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	17,987	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	80,417	98,415	70,208	84,801	87,514
10	LESS DIVIDENDS PREFERRED	-	-	-	-	-
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	80,417	98,415	70,208	84,801	87,514
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	339,000	71,000	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	26,000	-	-	71,000
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	365,000	71,000	-	71,000
20	OTHER SOURCES (NET)	110,679	552	227	-	9,869
21						
22						
23	TOTAL FUNDS PROVIDED	$ 191,096	$ 463,967	$ 141,435	$ 84,801	$ 168,383
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 157,024	$ 400,761	$ 26,785	$ 1,997	$ 141,561
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	157,024	400,761	26,785	1,997	141,561
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	157,024	400,761	26,785	1,997	141,561
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	14,814	23,560	23,777	23,300	22,832
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	75,500	4,000	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	14,814	23,560	99,277	27,300	22,832
37	OTHER USES (NET)	19,258	39,646	15,373	55,504	3,990
38						
39						
40	TOTAL FUNDS APPLIED	$ 191,096	$ 463,967	$ 141,435	$ 84,801	$ 168,383

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

CROWN POINT TELEPHONE CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO.
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 138,013	$ 120,964	$ 101,782	$ 97,517	$ 97,397	1
ACCESS REVENUES	154,551	143,056				2
TOLL REVENUES	282,571	239,005	388,484	362,444	314,032	3
MISCELLANEOUS REVENUES	28,849	33,219	6,687	3,128	1,996	4
UNCOLLECTIBLE REVENUES-DR	6,418	2,641	2,539	1,784	4,321	5
TOTAL TELEPHONE OPERATING REVENUE	$ 597,566	$ 533,602	$ 494,414	$ 461,305	$ 409,104	6
TELEPHONE ACCESS LINES IN SERVICE	682	726	701	680	687	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 196.04	$ 169.54	$ 147.40	$ 142.67	$ 143.55	8
ACCESS REVENUE	219.53	207.18				9
TOLL REVENUE	401.38	334.98	562.61	530.28	482.83	10

*YEAR END AVERAGE

ITEM	1986	1985	1984	1983	1982	LINE NO.
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 98,360	$ 73,077	$ 85,014	$ 90,097	$ 67,153	11
DEPRECIATION + AMORTIZATION EXPENSES	72,267	63,425	63,431	62,879	37,913	12
TRAFFIC EXPENSES	8,208	11,366	11,610	2,669	3,075	13
COMMERCIAL EXPENSES	31,803	29,326	28,455	19,949	14,256	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	194,954	182,925	149,278	138,179	107,255	16
OTHER OPERATING EXPENSES	77,357	71,919	71,802	70,269	60,928	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 482,949	$ 412,037	$ 409,590	$ 384,042	$ 290,580	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 1,536,934	$ 1,156,433	$ 1,116,060	$ 1,108,044	$ 1,109,211	19
PLANT UNDER CONSTRUCTION	6,958	379,369	20,911	10,272	9,600	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	1,543,892	1,535,802	1,136,971	1,118,316	1,118,811	24
ACCUMULATED PROVISION FOR DEPR+AMORT	465,794	532,158	457,704	389,535	316,019	25
NET TELEPHONE PLANT	$ 1,078,098	$ 1,003,644	$ 679,267	$ 728,781	$ 802,792	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,156,433	$ 1,116,060	$ 1,108,044	$ 1,109,211	$ 998,139	27
ADDITIONS	529,856	42,303	16,146	1,329	131,961	28
RETIREMENTS	149,355	1,930	8,130	2,492	20,889	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 1,536,934	$ 1,156,433	$ 1,116,060	$ 1,108,044	$ 1,109,211	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

CROWN POINT TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 597,566	$ 533,602	$ 494,414	$ 461,305	$ 409,104
2	ACCESS LINES (AVERAGE*)	704	714	691	684	679
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 208,113	$ 178,798	$ 187,881	$ 172,705	$ 134,291
4	OTHER OPERATION AND MAINTENANCE EXPENSES	202,569	169,814	158,278	148,458	118,376
5	DEPRECIATION AND AMORTIZATION EXPENSES	72,267	63,425	63,431	62,879	37,913
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	1,181	2,682	268	330-	5,252
8	OTHER TAXES - OPERATING	59,649	51,588	56,724	54,670	45,200
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	47,814	32,914	36,112	39,242	40,315
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	5,973	34,381	8,280-	16,319-	27,757
12	TOTAL	$ 597,566	$ 533,602	$ 494,414	$ 461,305	$ 409,104
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	34.8	33.5	38.0	37.4	32.8
14	OTHER OPERATION AND MAINTENANCE EXPENSES	33.9	31.8	32.0	32.2	28.9
15	DEPRECIATION AND AMORTIZATION EXPENSES	12.1	11.9	12.8	13.6	9.3
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	0.2	0.5	0.1	-	1.3
18	OTHER TAXES - OPERATING	10.0	9.7	11.5	11.9	11.0
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.0	6.2	7.3	8.5	9.9
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	1.0	6.4	1.6-	3.4-	6.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 24.63	$ 20.88	$ 22.67	$ 21.06	$ 16.49
24	OTHER OPERATION AND MAINTENANCE EXPENSES	23.98	19.83	19.10	18.10	14.54
25	DEPRECIATION AND AMORTIZATION EXPENSES	8.55	7.41	7.66	7.67	4.66
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	0.14	0.31	0.03	0.03-	0.65
28	OTHER TAXES - OPERATING	7.06	6.03	6.85	6.67	5.55
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.66	3.84	4.36	4.78	4.95
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.71	4.02	0.99-	1.98-	3.41
32	TOTAL	$ 70.73	$ 62.32	$ 59.67	$ 56.24	$ 50.25

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

DELHI TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 5,776,559	$ 5,779,501	$ 5,471,331	$ 5,298,800	$ 5,075,795
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,630,235	2,199,232	1,832,945	1,496,133	1,122,356
3	NET TELEPHONE PLANT	4,146,324	3,580,269	3,638,386	3,802,667	3,953,439
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	377,735	334,626	310,194	293,317	127,500
8	TOTAL INVESTMENTS AND FUNDS	377,735	334,626	310,194	293,317	127,500
9	CASH AND WORKING FUNDS	11,813	161,205	107,741	91,792	128,340
10	SPECIAL CASH DEPOSITS	33,289	31,591	35,271	33,694	82,808
11	TEMPORARY CASH INVESTMENTS	617,565	830,870	634,072	400,000	400,000
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	735,599	299,665	237,629	163,613	70,961
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	276,363	242,876	237,095	205,107	195,732
15	MATERIALS AND SUPPLIES*	65,383	69,992	65,079	52,911	42,885
16	PREPAYMENTS	41,698	40,262	120,215	122,742	65,570
17	OTHER CURRENT AND ACCRUED ASSETS	56,679	50,031	43,421	37,057	31,074
18	TOTAL CURRENT AND ACCRUED ASSETS	1,838,389	1,726,492	1,480,523	1,106,916	1,017,370
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	20,943	22,156	23,367	24,579	25,791
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	15,859	3,041	49,980	8,392	3,656
23	TOTAL DEFERRED DEBITS	36,802	25,197	73,347	32,971	29,447
24	TOTAL ASSETS AND OTHER DEBITS	6,399,250 $	5,666,584 $	5,502,450 $	5,235,871 $	5,127,756
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 110,000	$ 110,000	$ 110,000	$ 110,000	$ 110,000
26	PREFERRED CAPITAL STOCK	6,000	8,000	10,600	16,400	32,200
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	1,788,058	1,630,369	1,460,747	1,407,778	1,323,064
34	TOTAL PROPRIETARY CAPITAL	1,904,058	1,748,369	1,581,347	1,534,178	1,465,264
35	BONDS (LESS BONDS REACQUIRED)	2,685,486	2,666,526	2,720,690	2,685,340	2,672,536
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	2,685,486	2,666,526	2,720,690	2,685,340	2,672,536
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	756,684	223,432	137,827	122,545	201,009
41	CUSTOMERS DEPOSITS	1,700	1,050	22,300	21,350	18,650
42	ADVANCE BILLING AND PAYMENTS	28,547	33,801	29,228	25,566	24,713
43	TAXES ACCRUED	42,481	6,806	57,680	13,851	2,784
44	OTHER CURRENT AND ACCRUED LIABILITIES	37,395	30,188	31,321	29,548	26,757
45	TOTAL CURRENT AND ACCRUED LIABILITIES	866,807	295,277	278,356	212,860	273,913
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	330,195	285,433	273,807	275,750	268,399
48	OTHER DEFERRED CREDITS	-	-	11,874	-	-
49	TOTAL DEFERRED CREDITS	330,195	285,433	285,681	275,750	268,399
50	OPERATING RESERVES	196,821	204,246	190,491	143,851	102,080
51	ACCUMULATED DEFERRED INCOME TAXES	415,883	466,733	445,885	404,092	345,564
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 6,399,250 $	5,666,584 $	5,502,450 $	5,235,871 $	5,127,756
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	2.12	5.85	5.32	5.21	3.71
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	58.5	60.3	63.2	63.4	64.5
55	PREFERRED STOCK	0.1	0.1	0.2	0.3	0.7
56	COMMON STOCK+OTHER PAID-IN CAPITAL	2.3	2.4	2.5	2.6	2.6
57	RETAINED EARNINGS	38.9	36.9	33.9	33.5	31.9
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	46.4	46.1	49.7	50.7	52.6
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	28.2	38.0	33.5	28.2	22.1

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

DELHI TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 2,138,406	$ 2,239,884	$ 2,097,036	$ 1,912,483	$ 1,926,582	1
OPERATION AND MAINTENANCE EXPENSE	1,190,648	1,234,856	1,098,721	1,041,047	982,947	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	330,264	393,103	414,218	358,276	314,415	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	217,447	210,173	231,202	202,913	182,698	6
INCOME TAXES-OPERATING	99,816	36,522	41,816	7,906-	14,586	7
OPERATING INCOME TAXES DEFERRED	39,063-	43,352	46,297	68,123	79,786	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	11,787-	22,504-	4,504-	9,595-	11,363-	9
TOTAL OPERATING EXPENSES	1,787,326	1,895,502	1,827,750	1,652,858	1,563,069	10
TOTAL TELEPHONE OPERATING INCOME	351,081	344,382	269,286	259,625	363,513	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	52,695	91,465	74,936	48,818	31,512	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	1,559-	17,255-	1,334	6,984-	2,164	17
TOTAL OTHER INCOME	51,136	74,210	76,270	41,834	33,676	18
TOTAL INCOME	402,217	418,592	345,556	301,459	397,189	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	21,927	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	3,468	3,763	654	1,316	3,243	22
TOTAL INCOME DEDUCTIONS	25,395	3,763	654	1,316	3,243	23
INCOME BEFORE INTEREST CHARGES	376,822	414,829	344,902	300,143	393,946	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	206,574	206,860	208,069	205,550	195,801	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	1,212	1,212	1,212	1,212	1,212	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	9,711	7,605	2,701	4,130	8,352	29
TOTAL INTEREST CHARGES	217,497	215,677	211,982	210,892	205,365	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	159,325	199,152	132,920	89,251	188,581	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	57,935	35,142	-	106,974	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	7,422-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	8,536	-	54,739	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	54,224	26,606	-	52,235	-	35
NET INCOME	$ 213,549	$ 225,758	$ 132,920	$ 141,486	$ 188,581	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 1,630,369	$ 1,460,747	$ 1,407,778	$ 1,323,064	$ 1,198,596	37
BALANCE TRANSFERRED FROM INCOME	213,549	225,758	132,920	141,486	188,581	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	420	696	751	1,332	9,158	42
-COMMON STOCK	55,440	55,440	79,200	55,440	54,945	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,788,058	1,630,369	1,460,747	1,407,778	1,323,064	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 1,788,058	$ 1,630,369	$ 1,460,747	$ 1,407,778	$ 1,323,064	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	55.6	55.1	52.3	54.4	51.0	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	15.4	17.5	19.7	18.7	16.3	49
TOTAL INCOME TAXES-OPERATING	2.3	2.6	4.0	2.6	4.3	50
OTHER TAXES-OPERATING	10.1	9.3	11.0	10.6	9.4	51
TOTAL OPERATING EXPENSES	83.5	84.6	87.1	86.4	81.1	52
OPERATING INCOME	16.4	15.3	12.8	13.5	18.8	53
INTEREST EXPENSE						
PRETAX COVERAGE	2.1	2.2	2.0	1.7	2.3	54
NET INCOME-PERCENT OF OPERATING REVENUES	9.9	10.0	6.3	7.3	9.7	55
DIVIDEND APPROPRIATIONS, COMMON STOCK PERCENT OF EARNINGS AVAILABLE	26.0	24.6	59.9	39.5	30.6	56
PERCENT OF AVERAGE COMMON EQUITY EARNINGS AVAILABLE FOR COMMON STOCK	11.7	13.5	8.5	9.4	13.0	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

DELHI TELEPHONE COMPANY

LINE NO	ITEM		1986		1985		1984		1983		1982
	FUNDS PROVIDED										
	INTERNAL SOURCES										
1	INCOME BEFORE EXTRAORDINARY ITEMS	$	159,325	$	199,152	$	132,920	$	88,251	$	188,581
	NON-CASH CHARGES (CREDITS) TO INCOME										
2	DEPRECIATION AND AMORTIZATION		346,402		409,721		429,607		372,278		327,040
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		6,088-		32,474		39,850		66,879		68,606
4	INTEREST CAPITALIZED		-		-		-		-		-
5	OTHER (NET)		-		-		-		-		-
6											
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS		499,639		641,347		602,377		527,408		584,227
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES		54,224		26,606		-		52,235		-
9	TOTAL FUNDS FROM INTERNAL SOURCES		553,863		667,953		602,377		579,643		584,227
10	LESS DIVIDENDS: PREFERRED		420		696		751		1,332		9,168
11	COMMON		55,440		55,440		79,200		55,440		54,945
12	NET FUNDS FROM INTERNAL SOURCES		498,003		611,817		522,426		522,871		520,114
	EXTERNAL SOURCES										
13	LONG TERM DEBT		52,500		-		81,800		15,800		182,800
14	PREFERRED STOCK		-		-		-		-		-
15	COMMON STOCK		-		-		-		-		-
16	NET INCREASE IN SHORT TERM DEBT		-		-		-		100,000		-
17	OTHER (NET)		-		-		-		-		-
18											
19	TOTAL FUNDS FROM EXTERNAL SOURCES		52,500		-		81,800		115,800		182,800
20	OTHER SOURCES (NET)		675,553		20,060		72,545		83,634		100,8
21											
22											
23	TOTAL FUNDS PROVIDED	$	1,226,056	$	631,877	$	676,771	$	722,305	$	803,813
	FUNDS APPLIED										
	CONSTRUCTION EXPENDITURES										
	GROSS ADDITIONS										
24	TELEPHONE PLANT	$	1,118,894	$	354,469	$	277,003	$	258,731	$	262,376
25	NON-UTILITY PLANT		-		-		-		-		-
26	OTHER		-		-		-		-		-
27	TOTAL GROSS ADDITIONS		1,118,894		354,469		277,003		258,731		262,376
28	LESS INTEREST CAPITALIZED		-		-		-		-		-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		1,118,894		354,469		277,003		258,731		262,376
	RETIREMENT OF DEBT AND SECURITIES										
30	LONG TERM DEBT		33,540		54,164		26,450		22,997		17,370
31	PREFERRED STOCK		2,000		2,600		5,800		15,800		182,800
32	REDEMPTION OF CAPITAL STOCK		-		-		-		-		-
33	NET DECREASE IN SHORT TERM DEBT		-		-		100,000		-		110,000
34	OTHER (NET)		-		-		-		-		-
35											
36	TOTAL RETIREMENT OF DEBT AND SECURITIES		35,540		56,764		132,250		38,797		310,170
37	OTHER USES (NET)		71,622		220,644		267,518		424,777		231,267
38											
39											
40	TOTAL FUNDS APPLIED	$	1,226,056	$	631,877	$	676,771	$	722,305	$	803,813

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

DELHI TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
		TELEPHONE OPERATING REVENUES				
OPERATING REVENUES						
LOCAL REVENUES	$ 482,204	$ 438,038	$ 442,883	$ 423,730	$ 428,705	1
ACCESS REVENUES	770,877	815,823				2
TOLL REVENUES	539,874	545,390	1,605,193	1,457,671	1,469,227	3
MISCELLANEOUS REVENUES	390,182	486,132	84,776	54,986	48,890	4
UNCOLLECTIBLE REVENUES-DR	24,731	25,490	15,816	23,884	18,240	5
TOTAL TELEPHONE OPERATING REVENUE	$ 2,138,406	$ 2,239,884	$ 2,097,036	$ 1,912,483	$ 1,928,582	6
TELEPHONE ACCESS LINES IN SERVICE	3,027	3,061	3,151	2,894	2,898	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 118.70	$ 124.94	$ 146.53	$ 147.33	$ 149.64	8
ACCESS REVENUE	197.97	269.92				9
TOLL REVENUE	138.84	155.56	531.08	506.84	515.25	10

*YEAR END AVERAGE

ITEM	1986	1985	1984	1983	1982	LINE NO
		TELEPHONE OPERATION AND MAINTENANCE EXPENSES				
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 329,005	$ 293,108	$ 303,011	$ 298,119	$ 338,278	11
DEPRECIATION + AMORTIZATION EXPENSES	330,284	393,103	414,218	368,278	314,415	12
TRAFFIC EXPENSES	116,950	135,870	134,422	127,953	120,191	13
COMMERCIAL EXPENSES	137,878	82,528	66,669	59,841	60,286	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	312,644	406,267	321,576	289,905	225,449	16
OTHER OPERATING EXPENSES	294,762	317,085	273,043	205,229	248,744	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,520,912	$ 1,627,959	$ 1,512,939	$ 1,399,323	$ 1,297,382	18
		TELEPHONE UTILITY PLANT				
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 5,772,086	$ 5,649,833	$ 5,352,615	$ 5,293,871	$ 5,018,722	19
PLANT UNDER CONSTRUCTION	4,473	129,668	118,716	4,929	57,073	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	5,776,559	5,779,501	5,471,331	5,298,800	5,075,795	24
ACCUMULATED PROVISION FOR DEPR+AMORT	1,630,235	2,199,232	1,832,945	1,496,133	1,122,356	25
NET TELEPHONE PLANT	$ 4,146,324	$ 3,580,269	$ 3,638,386	$ 3,802,667	$ 3,953,439	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 5,649,833	$ 5,352,615	$ 5,293,871	$ 5,018,722	$ 4,885,512	27
ADDITIONS	1,244,049	343,517	163,216	310,877	199,500	28
RETIREMENTS	1,121,797	46,299	104,472	35,728	66,290	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 5,772,085	$ 5,649,833	$ 5,352,615	$ 5,293,871	$ 5,018,722	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

DELHI TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 2,138,408	$ 2,239,884	$ 2,097,038	$ 1,912,483	$ 1,926,582
2	ACCESS LINES (AVERAGE*)	3,894	3,506	3,023	2,876	2,852
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 709,275	$ 687,442	$ 676,683	$ 617,490	$ 587,942
4	OTHER OPERATION AND MAINTENANCE EXPENSES	481,373	547,414	422,038	423,548	395,005
5	DEPRECIATION AND AMORTIZATION EXPENSES	330,264	393,103	414,218	358,278	314,415
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	48,968	57,370	83,809	50,622	83,009
8	OTHER TAXES - OPERATING	217,447	210,173	231,202	202,913	182,698
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	217,497	215,677	211,982	210,892	205,365
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	420	696	751	1,332	9,168
11	EARNINGS AVAILABLE FOR COMMON EQUITY	133,164	128,009	56,553	47,401	148,980
12	TOTAL	$ 2,138,408	$ 2,239,884	$ 2,097,038	$ 1,912,483	$ 1,926,582
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	33.2	30.7	32.3	32.3	30.5
14	OTHER OPERATION AND MAINTENANCE EXPENSES	22.5	24.4	20.1	22.1	20.5
15	DEPRECIATION AND AMORTIZATION EXPENSES	15.4	17.6	19.8	18.7	16.3
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	2.3	2.6	4.0	2.6	4.3
18	OTHER TAXES - OPERATING	10.2	9.4	11.0	10.6	9.5
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	10.2	9.6	10.1	11.0	10.7
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	0.1	0.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	6.2	5.7	2.7	2.5	7.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER AVERAGE ACCESS LINE PER MONTH			
23	WAGES AND BENEFITS	$ 15.18	$ 16.34	$ 18.65	$ 17.89	$ 17.18
24	OTHER OPERATION AND MAINTENANCE EXPENSES	10.30	13.01	11.64	12.27	11.54
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.07	9.34	11.42	10.38	9.19
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	1.05	1.36	2.31	1.47	2.43
28	OTHER TAXES - OPERATING	4.65	5.00	6.37	5.88	5.34
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.65	5.13	5.84	6.11	6.00
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.01	0.02	0.02	0.04	0.27
31	EARNINGS AVAILABLE FOR COMMON EQUITY	2.85	3.04	1.56	1.37	4.35
32	TOTAL	$ 45.76	$ 53.24	$ 57.82	$ 55.42	$ 56.30

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

DEPOSIT TELEPHONE COMPANY, INC.

LINE NO. ITEM	1986	1985	1984	1983	1982
ASSETS AND OTHER DEBITS					
1 TELEPHONE PLANT	$ 7,974,923	$ 7,736,832	$ 7,307,017	$ 6,593,082	$ 5,857,970
2 ACCUMULATED PROVISION FOR DEPR+AMORT	2,298,538	2,106,240	1,737,538	1,582,004	1,576,720
3 NET TELEPHONE PLANT	5,676,385	5,630,592	5,569,479	5,011,078	4,281,250
4 INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5 ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6 MISCELLANEOUS PHYSICAL PROPERTY	17,673	11,357	8,240	-	-
7 OTHER INVESTMENTS AND FUNDS	21,320	9,320	4,320	1,320	1,320
8 TOTAL INVESTMENTS AND FUNDS	38,993	20,677	12,560	1,320	1,320
9 CASH AND WORKING FUNDS	752,808	294,423	130,698	357,498	70,420
10 SPECIAL CASH DEPOSITS	68,223	3,433	3,433	2,305	2,305
11 TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12 NOTES+ACCTS REC FROM AFFILIATED CO S	-	-	-	-	-
13 OTHER NOTES AND ACCOUNTS RECEIVABLE	239,936	256,694	653,324	44,984	58,724
14 DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	289,490	266,878	294,564	271,812	252,196
15 MATERIALS AND SUPPLIES*	97,559	98,676	99,967	73,488	45,255
16 PREPAYMENTS	76,191	67,786	62,967	59,255	49,940
17 OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	11,228
18 TOTAL CURRENT AND ACCRUED ASSETS	1,524,207	987,890	1,244,953	809,342	490,068
19 UNAMORTIZED DEBT DISCOUNT AND EXPENSE	44,249	48,485	52,721	56,957	21,299
20 EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	13,853	11,930	-
21 RESEARCH AND DEVELOPMENT	-	-	-	-	-
22 OTHER DEFERRED DEBITS	8,584	8,326	-	-	11,068
23 TOTAL DEFERRED DEBITS	52,833	56,811	66,574	68,887	32,367
24 TOTAL ASSETS AND OTHER DEBITS	7,292,418 $	6,695,970 $	6,893,566 $	5,890,627 $	4,806,005
LIABILITIES AND OTHER CREDITS					
25 COMMON CAPITAL STOCK	$ 322,250	$ 322,250	$ 322,250	$ 322,250	$ 322,250
26 PREFERRED CAPITAL STOCK	-	-	-	150,000	150,000
27 STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28 PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29 CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30 INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31 OTHER PAID-IN CAPITAL	-	-	-	-	-
32 CAPITAL STOCK EXPENSE	-	-	-	-	-
33 RETAINED EARNINGS	3,218,737	2,732,382	2,334,489	2,005,878	1,707,476
34 TOTAL PROPRIETARY CAPITAL	3,540,987	3,054,632	2,656,739	2,478,128	2,179,726
35 BONDS LESS BONDS REACQUIRED	1,626,000	1,748,000	1,870,000	1,992,000	834,000
36 ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37 OTHER LONG-TERM DEBT	150,000	150,000	150,000	-	-
38 TOTAL LONG-TERM DEBT	1,776,000	1,898,000	2,020,000	1,992,000	834,000
39 NOTES+ACCTS PAY TO AFFILIATED CO S	-	-	-	-	-
40 OTHER NOTES AND ACCOUNTS PAYABLE	308,944	405,476	1,036,463	324,140	869,775
41 CUSTOMERS DEPOSITS	51,005	49,690	61,035	48,105	42,080
42 ADVANCE BILLING AND PAYMENTS	18,350	16,655	32,990	30,391	29,042
43 TAXES ACCRUED	190,206	34,926	12,698	111,032	126,740
44 OTHER CURRENT AND ACCRUED LIABILITIES	143,532	75,610	76,806	74,619	30,247
45 TOTAL CURRENT AND ACCRUED LIABILITIES	712,037	582,357	1,219,992	588,287	1,097,884
46 UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	
47 ACCUM. DEFERRED INVESTMENT TAX CREDITS	441,073	474,794	458,252	385,901	293,071
48 OTHER DEFERRED CREDITS	5,786	3,733	8,394	8,074	-
49 TOTAL DEFERRED CREDITS	446,859	478,527	466,646	393,975	293,071
50 OPERATING RESERVES	-	-	-	-	-
51 ACCUMULATED DEFERRED INCOME TAXES	816,535	682,454	530,189	438,237	401,324
52 TOTAL LIABILITIES AND OTHER CREDITS	$ 7,292,418	$ 6,695,970	$ 6,893,566	$ 5,890,627	$ 4,806,005
SELECTED BALANCE SHEET RELATIONSHIPS					
53 CURRENT ASSETS/CURRENT LIABILITIES	2.14	1.70	1.02	1.38	0.45
PERCENT OF CAPITALIZATION					
54 LONG TERM DEBT	33.4	38.3	43.1	44.5	27.6
55 PREFERRED STOCK	-	-	-	3.3	4.9
56 COMMON STOCK+OTHER PAID-IN CAPITAL	6.0	6.5	6.8	7.2	10.6
57 RETAINED EARNINGS	60.5	55.1	49.9	44.8	56.6
LONG-TERM DEBT					
58 PERCENT OF GROSS TELEPHONE PLANT	22.2	24.5	27.6	30.2	14.2
59 ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	28.8	27.2	23.7	23.9	26.9

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

DEPOSIT TELEPHONE COMPANY, INC

ITEM	1986	1985	1984	1983	1982	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 3,369,765	$ 3,028,398	$ 2,834,453	$ 2,483,394	$ 2,154,589	1
OPERATION AND MAINTENANCE EXPENSE	1,537,626	1,304,922	1,184,877	1,025,798	1,012,922	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	446,859	435,402	445,784	412,366	270,814	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	298,962	282,109	298,039	270,096	221,317	6
INCOME TAXES-OPERATING	218,738	157,355	145,000	202,290	128,780	7
OPERATING INCOME TAXES DEFERRED	157,560	150,758	103,699	43,815	51,085	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	23,480-	1,508	11,747-	5,302-	14,470-	9
TOTAL OPERATING EXPENSES	2,636,265	2,332,054	2,165,664	1,948,463	1,670,448	10
TOTAL TELEPHONE OPERATING INCOME	733,500	696,344	668,799	534,931	484,141	11
OTHER INCOME						
DIVIDEND INCOME	158	158	158	155	152	12
INTEREST INCOME	22,294	13,582	28,177	24,603	-	13
ALLOWANCE FOR CONSTRUCTION FUNDS	2,940	7,564	9,317	15,975	4,428	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	17,894	4,522	-	-	-	16
MISCELLANEOUS INCOME	21,719	6,146	36,818-	9,659	1,749	17
TOTAL OTHER INCOME	65,005	31,972	834	50,392	6,329	18
TOTAL INCOME	798,505	728,316	669,633	585,323	490,470	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	28,050	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	1,085	1,069	680	435	1,160	22
TOTAL INCOME DEDUCTIONS	29,135	1,069	680	435	1,160	23
INCOME BEFORE INTEREST CHARGES	769,370	727,247	668,953	584,888	489,310	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	186,231	200,186	214,141	179,700	77,926	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	4,236	4,236	4,236	3,272	1,620	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	34,468	19,739	19,911	40,660	144,564	29
TOTAL INTEREST CHARGES	224,935	224,161	238,288	223,632	224,110	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	544,435	503,086	430,665	361,256	265,200	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	251,750	13,957	5,497	58,428	34,531	32
EXTRAORDINARY/DELAYED INCOME CHARGES	140,690-	8,712-	11,049-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	83,400	-	-	26,877	15,884	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	98,005	5,245	5,552-	31,551	18,647	35
NET INCOME	$ 642,440	$ 508,331	$ 425,113	$ 392,807	$ 283,847	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,732,382	$ 2,334,489	$ 2,005,878	$ 1,707,476	$ 1,512,144	37
BALANCE TRANSFERRED FROM INCOME	642,440	508,331	425,113	392,807	283,847	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	2,262	9,000	9,000	42
-COMMON STOCK	156,085	110,438	94,240	85,405	79,515	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	3,218,737	2,732,382	2,334,489	2,005,878	1,707,476	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 3,218,737	$ 2,732,382	$ 2,334,489	$ 2,005,878	$ 1,707,476	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	45.6	43.0	41.8	41.3	47.0	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	13.2	14.3	15.7	16.6	12.5	49
TOTAL INCOME TAXES-OPERATING	10.5	10.2	8.4	9.7	7.7	50
OTHER TAXES-OPERATING	8.8	9.3	10.5	10.8	10.2	51
TOTAL OPERATING EXPENSES	78.2	77.0	76.4	78.4	77.5	52
OPERATING INCOME	21.7	22.9	23.5	21.5	22.4	53
INTEREST EXPENSE						
PRETAX COVERAGE	5.1	4.6	3.8	3.7	2.9	54
NET INCOME-PERCENT OF OPERATING REVENUES	19.0	16.7	14.9	15.8	13.1	55
DIVIDEND APPROPRIATIONS COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	24.2	21.7	22.2	22.2	28.9	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	19.4	17.8	16.9	17.6	14.2	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

DEPOSIT TELEPHONE COMPANY, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 544,435	$ 503,086	$ 430,565	$ 361,256	$ 265,200
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	485,606	471,257	475,593	434,138	293,335
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	100,360	168,808	164,303	130,743	53,444
4	INTEREST CAPITALIZED	2,940-	7,564-	9,317-	15,975-	4,428-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL (INTERNAL) - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,127,461	1,135,587	1,061,244	910,162	607,551
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	98,005	5,245	5,552-	31,551	18,647
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,225,466	1,140,832	1,055,692	941,713	626,198
10	LESS DIVIDENDS PREFERRED	-	-	2,262	9,000	9,000
11	COMMON	156,085	110,438	94,240	85,405	79,515
12	NET FUNDS FROM INTERNAL SOURCES	1,069,381	1,030,394	959,190	847,308	537,683
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	150,000	1,200,000	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	150,000	1,200,000	-
20	OTHER SOURCES (NET)	40,895	45,327	269,470	35,173	15,042
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,110,276	$ 1,075,721	$ 1,378,660	$ 2,082,481	$ 552,725
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 554,128	$ 549,354	$ 1,083,118	$ 1,192,413	$ 274,530
25	NON-UTILITY PLANT	6,316	3,117	8,240	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	560,444	552,471	1,091,358	1,192,413	274,530
28	LESS INTEREST CAPITALIZED	2,940	7,564	9,317	15,975	4,428
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	557,504	544,907	1,082,041	1,176,438	270,102
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	122,000	122,000	122,000	42,000	42,000
31	PREFERRED STOCK	-	-	150,000	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	13,592	716,408	180,000
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	122,000	122,000	285,592	758,408	222,000
37	OTHER USES (NET)	430,772	408,814	11,027	147,635	60,623
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,110,276	$ 1,075,721	$ 1,378,660	$ 2,082,481	$ 552,725

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT.

YEARS ENDING DECEMBER 31

DEPOSIT TELEPHONE COMPANY, INC

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 1,257,339	$ 1,154,814	$ 1,020,747	$ 1,012,891	$ 970,947	1
ACCESS REVENUES	975,493	919,657				2
TOLL REVENUES	829,030	728,819	1,656,087	1,414,031	1,119,374	3
MISCELLANEOUS REVENUES	322,103	234,708	167,219	66,072	75,468	4
UNCOLLECTIBLE REVENUES-DR	24,200	9,600	9,600	9,600	11,200	5
TOTAL TELEPHONE OPERATING REVENUE	$ 3,369,765	$ 3,028,398	$ 2,834,453	$ 2,483,394	$ 2,154,589	6
TELEPHONE ACCESS LINES IN SERVICE	6,482	6,221	6,026	5,784	5,638	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 199.53	$ 188.59	$ 172.86	$ 177.36	$ 173.86	8
ACCESS REVENUE	153.58	155.74				9
TOLL REVENUE	130.53	119.02	280.46	247.60	200.44	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 563,463	$ 483,420	$ 442,555	$ 379,137	$ 370,360	11
DEPRECIATION + AMORTIZATION EXPENSES	446,859	435,402	445,784	412,366	270,814	12
TRAFFIC EXPENSES	114,064	89,649	116,355	27,733	26,908	13
COMMERCIAL EXPENSES	163,695	142,366	115,615	123,377	123,885	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	424,282	373,263	330,266	311,231	333,193	16
OTHER OPERATING EXPENSES	272,122	216,224	180,087	184,320	158,576	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,984,485	$ 1,740,324	$ 1,630,661	$ 1,438,164	$ 1,283,736	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 7,922,987	$ 7,724,990	$ 7,300,405	$ 6,583,529	$ 5,830,548	19
PLANT UNDER CONSTRUCTION	51,936	11,842	6,612	9,553	27,422	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	7,974,923	7,736,832	7,307,017	6,593,082	5,857,970	24
ACCUMULATED PROVISION FOR DEPR+AMORT	2,298,538	2,106,240	1,737,538	1,582,004	1,576,720	25
NET TELEPHONE PLANT	$ 5,676,385	$ 5,630,592	$ 5,569,479	$ 5,011,078	$ 4,281,250	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 7,724,990	$ 7,300,404	$ 6,583,529	$ 5,830,549	$ 5,526,632	27
ADDITIONS	514,034	544,124	1,086,059	1,210,281	338,822	28
RETIREMENTS	316,037	119,538	369,183	457,301	34,464	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	558	30
PLANT IN SERVICE END OF YEAR	$ 7,922,987	$ 7,724,990	$ 7,300,405	$ 6,583,529	$ 5,830,548	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

DEPOSIT TELEPHONE COMPANY, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 3,369,786	$ 3,028,398	$ 2,834,453	$ 2,483,394	$ 2,154,589
2	ACCESS LINES (AVERAGE*)	6,352	6,124	5,905	5,711	5,585
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 829,983	$ 735,657	$ 643,104	$ 612,859	$ 563,308
4	OTHER OPERATION AND MAINTENANCE EXPENSES	707,643	569,266	541,773	412,939	449,614
5	DEPRECIATION AND AMORTIZATION EXPENSES	446,859	435,402	445,784	412,386	270,814
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	352,818	309,621	236,952	240,203	165,395
8	OTHER TAXES - OPERATING	298,962	282,109	298,039	270,096	221,317
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	224,147	221,907	235,195	217,785	223,092
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	2,224	8,712	8,880
11	EARNINGS AVAILABLE FOR COMMON EQUITY	509,353	474,437	431,380	308,434	252,169
12	TOTAL	$ 3,369,786	$ 3,028,398	$ 2,834,453	$ 2,483,394	$ 2,154,589
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	24.6	24.3	22.7	24.7	26.1
14	OTHER OPERATION AND MAINTENANCE EXPENSES	21.0	18.8	19.1	16.6	20.9
15	DEPRECIATION AND AMORTIZATION EXPENSES	13.3	14.4	15.7	16.6	12.6
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	10.5	10.2	8.4	9.7	7.7
18	OTHER TAXES - OPERATING	8.9	9.3	10.5	10.9	10.3
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	6.7	7.3	8.3	8.8	10.4
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	0.1	0.4	0.4
21	EARNINGS AVAILABLE FOR COMMON EQUITY	15.1	15.7	15.2	12.4	11.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 10.89	$ 10.01	$ 9.08	$ 8.94	$ 8.41
24	OTHER OPERATION AND MAINTENANCE EXPENSES	9.28	7.75	7.65	6.03	6.71
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.86	5.93	6.29	6.02	4.04
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	4.63	4.21	3.34	3.50	2.47
28	OTHER TAXES - OPERATING	3.92	3.84	4.21	3.94	3.30
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.94	3.02	3.32	3.18	3.33
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	0.03	0.13	0.13
31	EARNINGS AVAILABLE FOR COMMON EQUITY	6.68	6.46	6.09	4.50	3.76
32	TOTAL	$ 44.21	$ 41.21	$ 40.00	$ 36.24	$ 32.15

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

DUNKIRK AND FREDONIA TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 9,574,489	$ 8,531,658	$ 8,254,918	$ 8,247,044	$ 7,988,792
2	ACCUMULATED PROVISION FOR DEPR+AMORT	2,562,593	2,296,302	2,080,661	1,959,603	1,619,014
3	NET TELEPHONE PLANT	7,011,896	6,235,356	6,174,257	6,287,441	6,369,778
4	INVESTMENTS IN AFFILIATED COMPANIES	323,407	351,004	351,004	351,004	51,004
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	442,369	171,035	-	-	-
7	OTHER INVESTMENTS AND FUNDS	207,150	207,150	202,150	202,150	202,150
8	TOTAL INVESTMENTS AND FUNDS	972,926	729,189	553,154	553,154	253,154
9	CASH AND WORKING FUNDS	65,010	212,100	64,456	22,667	33,668
10	SPECIAL CASH DEPOSITS	31,958	24,711	20,332	16,555	16,012
11	TEMPORARY CASH INVESTMENTS	643,089	959,772	414,181	135,767	58,912
12	NOTES+ACCTS REC FROM AFFILIATED CO S	145,487	146,404	160,320	65,434	66,739
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	364,554	230,129	301,007	28,993	133,380
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	273,567	287,147	334,762	340,218	304,840
15	MATERIALS AND SUPPLIES*	202,770	180,616	155,601	155,211	228,756
16	PREPAYMENTS	97,737	120,783	105,721	106,962	89,181
17	OTHER CURRENT AND ACCRUED ASSETS	4,462	2,548	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	1,828,634	2,164,210	1,556,380	871,797	931,488
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	12,784	13,235	13,686	14,138	14,589
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	20,326	21,990	6,651	3,374	4,327
23	TOTAL DEFERRED DEBITS	33,110	35,225	20,337	17,512	18,916
24	TOTAL ASSETS AND OTHER DEBITS	9,846,566	$ 9,163,980	$ 8,304,128	$ 7,729,904	$ 7,573,336
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 619,975	$ 619,975	$ 619,975	$ 619,975	$ 619,975
26	PREFERRED CAPITAL STOCK	-	425,000	425,000	425,000	425,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	2,799,246	2,511,015	1,895,526	1,655,153	1,591,566
34	TOTAL PROPRIETARY CAPITAL	3,419,221	3,5[illegible],990	2,940,501	2,700,128	2,636,541
35	BONDS (LESS BONDS REACQUIRED)	3,928,169	3,566,098	3,605,314	3,641,961	3,557,020
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	3,928,169	3,566,098	3,605,314	3,641,961	3,557,020
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	307,176	246,806	308,734	265,834	573,698
41	CUSTOMERS DEPOSITS	59,689	57,930	84,758	94,203	97,900
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	26,758	80,499	94,846	68,178	60,545
44	OTHER CURRENT AND ACCRUED LIABILITIES	54,085	52,237	49,938	45,756	48,879
45	TOTAL CURRENT AND ACCRUED LIABILITIES	447,708	437,472	538,276	473,971	781,122
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	403,942	255,809	132,252	101,159	110,550
48	OTHER DEFERRED CREDITS	10,190	11,674	-	-	-
49	TOTAL DEFERRED CREDITS	414,132	267,483	132,252	101,159	110,550
50	OPERATING RESERVES	20,855	23,172	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	1,616,481	1,313,765	1,087,784	812,685	488,103
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 9,846,566	$ 9,163,980	$ 8,304,127	$ 7,729,904	$ 7,573,336
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	4.08	4.95	2.89	1.84	1.19
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	53.4	50.0	55.0	57.4	57.4
55	PREFERRED STOCK	-	5.9	6.4	6.7	6.8
56	COMMON STOCK+OTHER PAID-IN CAPITAL	8.4	8.7	9.4	9.7	10.0
57	RETAINED EARNINGS	38.0	35.2	28.9	26.0	25.6
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	41.0	41.7	43.6	44.1	44.5
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	26.7	26.9	25.2	23.7	20.2

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

DUNKIRK AND FREDONIA TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 4,002,454	$ 4,147,358	$ 3,652,426	$ 3,163,929	$ 2,693,847	1
OPERATION AND MAINTENANCE EXPENSE	2,066,918	1,971,955	1,929,698	1,666,587	1,596,185	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	385,625	374,628	384,926	389,615	354,710	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	400,451	420,944	406,283	366,170	331,198	6
INCOME TAXES-OPERATING	160,277	135,710	37,832	43,455	89,694-	7
OPERATING INCOME TAXES DEFERRED	314,407	257,587	282,366	268,227	167,795	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	11,691-	8,907-	7,267-	8,145-	8,795-	9
TOTAL OPERATING EXPENSES	3,315,987	3,151,917	3,033,838	2,725,909	2,351,399	10
TOTAL TELEPHONE OPERATING INCOME	686,467	995,441	618,588	438,020	342,448	11
OTHER INCOME						
DIVIDEND INCOME	30,750	26,205	23,478	14,094	13,051	12
INTEREST INCOME	48,898	52,326	16,852	4,894	1,675	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	131,623	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	161,659	3,349	25,042-	4,904-	16,492	17
TOTAL OTHER INCOME	241,307	81,880	15,288	14,084	162,841	18
TOTAL INCOME	927,774	1,077,321	633,876	452,104	505,289	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	19,770	12,826	5,219	5,680	5,971	22
TOTAL INCOME DEDUCTIONS	19,770	12,826	5,219	5,680	5,971	23
INCOME BEFORE INTEREST CHARGES	908,004	1,064,495	628,657	446,424	499,318	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	246,670	233,831	235,465	235,545	185,223	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	451	451	451	451	451	26
AMORT. OF PREMIUM ON DEBT-CREDIT	43	74	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	15,465	11,029	19,145	37,084	14,233	29
TOTAL INTEREST CHARGES	262,629	245,385	255,061	273,080	199,907	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	645,375	819,110	373,596	173,344	299,411	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	56,552	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	164,854-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	108,302-	-	-	-	-	35
NET INCOME	$ 537,073	$ 819,110	$ 373,596	$ 173,344	$ 299,411	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,511,015	$ 1,895,526	$ 1,665,153	$ 1,591,566	$ 1,398,978	37
BALANCE TRANSFERRED FROM INCOME	537,073	819,110	373,596	173,344	299,411	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	14,182	27,626	27,626	27,626	27,626	42
-COMMON STOCK	234,660	175,995	105,597	82,131	79,197	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,799,246	2,511,015	1,895,526	1,665,153	1,591,566	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,799,246	$ 2,511,015	$ 1,895,526	$ 1,665,153	$ 1,591,566	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	51.6	47.5	52.8	52.6	59.2	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	9.6	9.0	10.5	12.3	13.1	49
TOTAL INCOME TAXES-OPERATING	11.6	9.3	8.6	9.6	2.6	50
OTHER TAXES-OPERATING	10.0	10.1	11.1	11.5	12.2	51
TOTAL OPERATING EXPENSES	82.8	75.9	83.0	86.1	87.2	52
OPERATING INCOME	17.1	24.0	16.9	13.8	12.7	53
INTEREST EXPENSE						
PRETAX COVERAGE	5.2	5.8	3.7	2.7	2.8	54
NET INCOME-PERCENT OF OPERATING REVENUES	13.4	19.7	10.2	5.4	11.1	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	44.8	22.2	30.5	56.3	29.1	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	15.9	28.0	14.4	6.4	12.8	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

DUNKIRK AND FREDONIA TELEPHONE COMPANY

LINE NO	ITEM		1986		1985		1984		1983		1982
	FUNDS PROVIDED										
	INTERNAL SOURCES										
1	INCOME BEFORE EXTRAORDINARY ITEMS	$	645,375	$	819,110	$	373,596	$	173,344	$	299,411
	NON-CASH CHARGES (CREDITS) TO INCOME										
2	DEPRECIATION AND AMORTIZATION		443,318		421,335		424,541		428,709		386,626
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		447,048		384,384		306,192		315,191		150,129
4	INTEREST CAPITALIZED		-		-		-		-		131,623-
5	OTHER (NET)		23,090		-		-		-		-
6											
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS		1,558,831		1,624,829		1,104,329		917,244		704,543
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES		108,302-		-		-		-		-
9	TOTAL FUNDS FROM INTERNAL SOURCES		1,450,529		1,624,829		1,104,329		917,244		704,543
10	LESS DIVIDENDS PREFERRED		14,182		27,626		27,626		27,626		27,626
11	COMMON		234,660		175,995		105,597		82,131		79,197
12	NET FUNDS FROM INTERNAL SOURCES		1,201,687		1,421,208		971,106		807,487		597,720
	EXTERNAL SOURCES										
13	LONG TERM DEBT		405,300		-		-		119,386		1,962,000
14	PREFERRED STOCK		-		-		-		-		-
15	COMMON STOCK		-		-		-		-		-
16	NET INCREASE IN SHORT TERM DEBT		-		-		64,305		165,000		14,000
17	OTHER (NET)		82,867		53,065		-		-		105,522
18											
19	TOTAL FUNDS FROM EXTERNAL SOURCES		488,167		53,065		64,305		284,386		2,081,522
20	OTHER SOURCES (NET)		347,928		-		60,603		7,750		-
21											
22											
23	TOTAL FUNDS PROVIDED	$	2,037,782	$	1,474,273	$	1,096,014	$	1,099,623	$	2,679,242
	FUNDS APPLIED										
	CONSTRUCTION EXPENDITURES										
	GROSS ADDITIONS										
24	TELEPHONE PLANT	$	1,285,719	$	648,984	$	371,959	$	354,122	$	2,136,451
25	NON-UTILITY PLANT		283,834		-		-		-		-
26	OTHER		-		-		-		-		-
27	TOTAL GROSS ADDITIONS		1,569,553		648,984		371,959		354,122		2,136,451
28	LESS INTEREST CAPITALIZED		-		-		-		-		131,623
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		1,569,553		648,984		371,959		354,122		2,004,828
	RETIREMENT OF DEBT AND SECURITIES										
30	LONG TERM DEBT		43,229		39,217		36,647		34,445		12,669
31	PREFERRED STOCK		425,000		-		-		-		-
32	REDEMPTION OF CAPITAL STOCK		-		-		-		-		-
33	NET DECREASE IN SHORT TERM DEBT		-		1,000		-		-		-
34	OTHER (NET)		-		-		-		-		-
35											
36	TOTAL RETIREMENT OF DEBT AND SECURITIES		468,229		40,217		36,647		34,445		12,669
37	OTHER USES (NET)		-		785,072		687,408		711,056		661,745
38											
39											
40	TOTAL FUNDS APPLIED	$	2,037,782	$	1,474,273	$	1,096,014	$	1,099,623	$	2,679,242

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT

YEARS ENDING DECEMBER 31

DUNKIRK AND FREDONIA TELEPHONE COMPANY

TELEPHONE OPERATING REVENUES

ITEM	1986	1985	1984	1983	1982	LINE NO
OPERATING REVENUES						
LOCAL REVENUES	$ 1,475,100	$ 1,569,598	$ 1,496,511	$ 1,354,283	$ 1,325,479	1
ACCESS REVENUES	1,373,421	1,265,435				2
TOLL REVENUES	806,548	862,471	1,812,113	1,696,562	1,203,099	3
MISCELLANEOUS REVENUES	379,180	474,752	358,677	146,344	179,195	4
UNCOLLECTIBLE REVENUES-DR	31,795	24,898	14,875	33,260	13,926	5
TOTAL TELEPHONE OPERATING REVENUE	$ 4,002,454	$ 4,147,358	$ 3,652,426	$ 3,163,929	$ 2,693,847	6
TELEPHONE ACCESS LINES IN SERVICE	7,820	7,601	7,654	7,549	7,558	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 191.31	$ 205.78	$ 196.87	$ 179.29	$ 176.01	8
ACCESS REVENUE	178.12	166.47				9
TOLL REVENUE	104.60	113.07	238.39	224.61	159.76	10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM	1986	1985	1984	1983	1982	LINE NO
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 597,204	$ 592,221	$ 575,050	$ 598,163	$ 635,606	11
DEPRECIATION + AMORTIZATION EXPENSES	385,625	374,628	384,926	389,615	354,710	12
TRAFFIC EXPENSES	115,496	96,843	137,933	32,103	31,872	13
COMMERCIAL EXPENSES	263,264	317,191	333,119	246,388	211,574	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	718,440	669,599	591,186	537,917	478,839	16
OTHER OPERATING EXPENSES	372,514	296,101	292,410	252,016	238,294	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 2,452,543	$ 2,346,583	$ 2,314,624	$ 2,056,202	$ 1,950,895	18

TELEPHONE UTILITY PLANT

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 9,011,418	$ 8,335,556	$ 8,162,240	$ 8,103,456	$ 7,973,367	19
PLANT UNDER CONSTRUCTION	563,071	196,102	92,678	143,588	15,425	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	9,574,489	8,531,658	8,254,918	8,247,044	7,988,792	24
ACCUMULATED PROVISION FOR DEPR+AMORT	2,562,593	2,296,302	2,080,661	1,959,603	1,619,014	25
NET TELEPHONE PLANT	$ 7,011,896	$ 6,235,356	$ 6,174,257	$ 6,287,441	$ 6,369,778	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 8,335,556	$ 8,162,240	$ 8,103,456	$ 7,973,367	$ 6,370,325	27
ADDITIONS	918,751	545,559	422,869	225,959	3,112,630	28
RETIREMENTS	242,889	215,313	364,085	95,870	1,624,022	29
TRANSFERS AND ADJUSTMENTS	-	156,930-	-	-	114,434	30
PLANT IN SERVICE END OF YEAR	$ 9,011,418	$ 8,335,556	$ 8,162,240	$ 8,103,456	$ 7,973,367	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

DUNKIRK AND FREDONIA TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 4,002,454	$ 4,147,358	$ 3,662,426	$ 3,163,929	$ 2,693,847
2	ACCESS LINES (AVERAGE*)	7,711	7,628	7,602	7,554	7,531
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 1,334,058	$ 1,255,937	$ 1,092,584	$ 1,052,805	$ 997,600
4	OTHER OPERATION AND MAINTENANCE EXPENSES	732,860	716,018	837,114	613,782	598,585
5	DEPRECIATION AND AMORTIZATION EXPENSES	385,625	374,628	384,926	389,615	354,710
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	462,993	384,390	312,931	303,537	69,306
8	OTHER TAXES - OPERATING	400,451	420,944	406,283	366,170	331,198
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	262,629	245,385	255,061	273,080	125,540
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	14,182	27,626	27,626	27,626	16,570
11	EARNINGS AVAILABLE FOR COMMON EQUITY	409,656	722,430	335,901	137,314	200,338
12	TOTAL	$ 4,002,454	$ 4,147,358	$ 3,662,426	$ 3,163,929	$ 2,693,847
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	33.3	30.3	29.9	33.3	37.0
14	OTHER OPERATION AND MAINTENANCE EXPENSES	18.3	17.3	22.9	19.4	22.2
15	DEPRECIATION AND AMORTIZATION EXPENSES	9.6	9.0	10.5	12.3	13.2
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	11.6	9.3	8.6	9.6	2.6
18	OTHER TAXES - OPERATING	10.0	10.1	11.1	11.6	12.3
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	6.6	5.9	7.0	8.6	4.7
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.7	0.8	0.9	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	10.2	17.4	9.2	4.3	7.4
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 14.42	$ 13.72	$ 11.98	$ 11.61	$ 11.04
24	OTHER OPERATION AND MAINTENANCE EXPENSES	7.92	7.82	9.18	6.77	6.62
25	DEPRECIATION AND AMORTIZATION EXPENSES	4.17	4.09	4.22	4.30	3.93
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	5.00	4.20	3.43	3.35	0.77
28	OTHER TAXES - OPERATING	4.33	4.60	4.45	4.04	3.67
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.84	2.68	2.80	3.01	1.39
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.15	0.30	0.30	0.30	0.18
31	EARNINGS AVAILABLE FOR COMMON EQUITY	4.43	7.89	3.68	1.51	2.22
32	TOTAL	$ 43.26	$ 45.31	$ 40.04	$ 34.91	$ 29.81

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

EDWARDS TELEPHONE COMPANY, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 3,241,092	$ 3,004,762	$ 2,821,201	$ 2,733,131	$ 2,592,968
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,193,668	962,977	784,715	634,154	498,331
3	NET TELEPHONE PLANT	2,047,424	2,041,785	2,036,486	2,098,977	2,094,637
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	3,674	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	872	3,674	3,664	3,674	3,674
8	TOTAL INVESTMENTS AND FUNDS	4,546	3,674	3,664	3,674	3,674
9	CASH AND WORKING FUNDS	76,826	67,070	24,487	37,037	5,471
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	630,000	585,000	369,457	292,114	239,723
12	NOTES+ACCTS REC FROM AFFILIATED CO S	-	-	41,302	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	109,897	86,824	92,082	47,636	39,244
14	DUE FROM CUSTOMERS-AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	38,903	30,690	34,916	27,083	28,498
15	MATERIALS AND SUPPLIES*	32,710	27,501	30,925	28,594	18,385
16	PREPAYMENTS	28,013	25,341	22,839	23,296	20,342
17	OTHER CURRENT AND ACCRUED ASSETS	7,913	7,779	3,462	2,066	3,649
18	TOTAL CURRENT AND ACCRUED ASSETS	922,262	830,205	619,470	457,925	355,318
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	3,647	3,792	3,938	4,084	4,230
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	-	-	32
23	TOTAL DEFERRED DEBITS	3,647	3,792	3,938	4,084	4,262
24	TOTAL ASSETS AND OTHER DEBITS	2,977,879 $	2,879,456 $	2,663,558 $	2,564,660 $	2,457,891
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 67,600	$ 67,600	$ 67,600	$ 67,600	$ 67,600
26	PREFERRED CAPITAL STOCK	17,000	18,000	20,000	20,000	20,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	1,660-	1,660-	1,660-	1,660-	1,660-
33	RETAINED EARNINGS	982,577	827,410	624,014	549,632	441,039
34	TOTAL PROPRIETARY CAPITAL	1,065,517	911,360	709,954	635,572	526,979
35	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	1,576,304	1,607,800	1,637,717	1,666,080	1,683,906
38	TOTAL LONG-TERM DEBT	1,576,304	1,607,800	1,637,717	1,666,080	1,683,906
39	NOTES+ACCTS PAY TO AFFILIATED CO S	46,584	19,394	36,588	23,443	24,342
40	OTHER NOTES AND ACCOUNTS PAYABLE	36,006	97,073	32,770	34,922	36,823
41	CUSTOMERS DEPOSITS	2,540	3,224	8,132	6,980	5,580
42	ADVANCE BILLING AND PAYMENTS	243	708	708	604	387
43	TAXES ACCRUED	50,230	20,106	18,714	28,012	41,470-
44	OTHER CURRENT AND ACCRUED LIABILITIES	19,351	18,372	16,815	16,802	16,269
45	TOTAL CURRENT AND ACCRUED LIABILITIES	154,934	158,877	113,727	110,963	101,931
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	135,093	153,026	161,952	122,557	127,746
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	135,093	153,026	161,952	122,557	127,746
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	46,031	48,404	40,208	29,488	17,329
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 2,977,879 $	2,879,456 $	2,663,558 $	2,564,660 $	2,457,891
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	5.96	5.23	5.45	4.13	3.49
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	59.6	63.8	69.7	72.3	76.1
55	PREFERRED STOCK	0.6	0.7	0.8	0.8	0.9
56	COMMON STOCK+OTHER PAID-IN CAPITAL	2.4	2.6	2.8	2.8	2.9
57	RETAINED EARNINGS	37.1	32.8	26.5	23.8	19.9
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	48.6	53.5	58.0	60.9	64.9
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	36.8	32.0	27.8	23.2	19.2

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

EDWARDS TELEPHONE COMPANY, INC

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,055,089 $	1,076,116 $	784,307 $	801,675 $	728,213	1
OPERATION AND MAINTENANCE EXPENSE	420,336	395,864	336,329	297,867	307,678	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	229,547	184,076	178,843	167,894	151,358	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	110,608	107,688	96,031	91,062	81,225	6
INCOME TAXES-OPERATING	99,062	132,308	38,836	62,240	33,847	7
OPERATING INCOME TAXES DEFERRED	2,372-	8,198	10,720	12,159	12,400	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	857,181	828,134	660,759	631,222	586,508	10
TOTAL TELEPHONE OPERATING INCOME	197,908	247,982	123,548	170,453	141,705	11
OTHER INCOME						
DIVIDEND INCOME	199	192	274	70	70	12
INTEREST INCOME	41,610	41,072	30,611	18,039	28,742	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	1,870	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	152-	-	-	-	-	16
MISCELLANEOUS INCOME	21,617	22,264	26,053	13,354	14,513	17
TOTAL OTHER INCOME	63,274	63,528	56,938	31,463	45,195	18
TOTAL INCOME	261,182	311,510	180,486	201,916	186,900	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	18,173	-	15,257	3,904	12,853	20
INCOME TAXES-NONOPERATING	-	17,289	-	983	1,061	21
MISCELLANEOUS INCOME CHARGES	5,558	8,046	6,481	2,821	513	22
TOTAL INCOME DEDUCTIONS	23,731	25,335	21,738	7,708	14,427	23
INCOME BEFORE INTEREST CHARGES	237,451	286,175	158,748	194,208	172,473	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	81,111	81,031	82,455	83,683	84,736	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	146	146	-	146	146	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	146	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	127	602	765	786	769	29
TOTAL INTEREST CHARGES	81,384	81,779	83,366	84,615	85,651	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	156,067	204,396	75,382	109,593	86,822	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 156,067 $	204,396 $	75,382 $	109,593 $	86,822	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 827,410 $	624,014 $	549,632 $	441,039 $	355,217	37
BALANCE TRANSFERRED FROM INCOME	156,067	204,396	75,382	109,593	86,822	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	900	1,000	1,000	1,000	1,000	42
-COMMON STOCK	-	-	-	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	982,577	827,410	624,014	549,632	441,039	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 982,577 $	827,410 $	624,014 $	549,632 $	441,039	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	39.8	36.7	42.8	37.1	42.2	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	21.7	17.1	22.8	20.9	20.7	49
TOTAL INCOME TAXES-OPERATING	9.2	13.1	6.3	9.3	6.4	50
OTHER TAXES-OPERATING	10.4	10.0	12.2	11.3	11.1	51
TOTAL OPERATING EXPENSES	81.2	76.9	84.2	78.7	80.5	52
OPERATING INCOME	18.7	23.0	15.7	21.2	19.4	53
INTEREST EXPENSE						
PRETAX COVERAGE	3.9	5.2	2.3	3.0	2.4	54
NET INCOME-PERCENT OF OPERATING REVENUES	14.7	18.9	9.6	13.6	11.9	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	-	-	-	-	-	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	15.9	26.6	11.3	19.3	18.4	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

EDWARDS TELEPHONE COMPANY INC

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 156,067	$ 204,396	$ 75,382	$ 109,593	$ 86,822
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	229,547	184,076	178,843	177,215	151,358
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	20,305-	730-	50,116	12,159	40,646
4	INTEREST CAPITALIZED	-	-	-	-	1,870-
5	OTHER (NET)	912	912	912	912	913
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	366,221	388,654	305,253	299,879	277,869
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	366,221	388,654	305,253	299,879	277,869
10	LESS DIVIDENDS PREFERRED	900	1,000	1,000	1,000	1,000
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	365,321	387,654	304,253	298,879	276,869
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	9,210	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	9,210	-
20	OTHER SOURCES (NET)	-	-	12,614	17,305	44,067
21						
22						
23	TOTAL FUNDS PROVIDED	$ 365,321	$ 387,654	$ 316,867	$ 325,394	$ 320,936
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 249,309	$ 190,800	$ 112,953	$ 160,839	$ 283,864
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	249,309	190,800	112,953	160,839	283,864
28	LESS INTEREST CAPITALIZED	-	-	-	-	1,870
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	249,309	190,800	112,953	160,839	281,994
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	31,496	29,917	28,363	27,830	19,126
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	31,496	29,917	28,363	27,830	19,126
37	OTHER USES (NET)	84,516	166,937	175,551	136,725	19,816
38						
39						
40	TOTAL FUNDS APPLIED	$ 365,321	$ 387,654	$ 316,867	$ 325,394	$ 320,936

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

EDWARDS TELEPHONE COMPANY, INC

TELEPHONE OPERATING REVENUES

ITEM	1986	1985	1984	1983	1982	LINE NO
OPERATING REVENUES						
LOCAL REVENUES	$ 258,462	$ 244,495	$ 233,365	$ 219,856	$ 216,794	1
ACCESS REVENUES	220,475	180,300				2
TOLL REVENUES	547,789	633,601	549,306	579,616	510,618	3
MISCELLANEOUS REVENUES	30,071	19,462	4,146	5,746	4,881	4
UNCOLLECTIBLE REVENUES-DR	1,708	1,742	2,510	3,543	4,080	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,055,089	$ 1,076,116	$ 784,307	$ 801,675	$ 728,213	6
TELEPHONE ACCESS LINES IN SERVICE	1,580	1,521	1,469	1,424	1,402	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 166.70	$ 163.54	$ 161.33	$ 155.60	$ 155.46	8
ACCESS REVENUE	142.20	124.65				9
TOLL REVENUE	353.30	423.81	379.75	410.20	366.17	10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM	1986	1985	1984	1983	1982	LINE NO
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 125,496	$ 119,407	$ 109,270	$ 100,394	$ 124,132	11
DEPRECIATION + AMORTIZATION EXPENSES	229,547	184,076	178,843	167,894	151,358	12
TRAFFIC EXPENSES	22,249	41,429	15,668	9,669	12,364	13
COMMERCIAL EXPENSES	59,245	57,259	50,318	54,060	44,996	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	151,606	127,076	109,270	85,649	73,574	16
OTHER OPERATING EXPENSES	61,740	50,697	51,803	48,095	52,612	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 649,883	$ 579,944	$ 515,172	$ 465,761	$ 459,036	18

TELEPHONE UTILITY PLANT

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 3,190,454	$ 2,925,285	$ 2,804,971	$ 2,718,362	$ 2,569,179	19
PLANT UNDER CONSTRUCTION	50,287	78,214	14,055	11,682	19,790	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	351	1,263	2,175	3,087	3,999	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	3,241,092	3,004,762	2,821,201	2,733,131	2,592,968	24
ACCUMULATED PROVISION FOR DEPR+AMORT	1,193,668	962,977	784,715	634,154	498,331	25
NET TELEPHONE PLANT	$ 2,047,424	$ 2,041,785	$ 2,036,486	$ 2,098,977	$ 2,094,637	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,925,285	$ 2,804,972	$ 2,718,362	$ 2,569,179	$ 2,325,891	27
ADDITIONS	277,001	127,553	110,580	169,087	264,657	28
RETIREMENTS	11,832	7,240	23,970	19,904	21,369	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 3,190,454	$ 2,925,285	$ 2,804,972	$ 2,718,362	$ 2,569,179	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

EDWARDS TELEPHONE COMPANY, INC.

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 1,055,089	$ 1,076,116	$ 784,307	$ 801,675	$ 728,213
2	ACCESS LINES (AVERAGE*)	1,551	1,495	1,447	1,413	1,396
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 93,826	$ 92,414	$ 82,454	$ 78,044	$ 72,407
4	OTHER OPERATION AND MAINTENANCE EXPENSES	326,510	303,454	253,875	219,823	235,271
5	DEPRECIATION AND AMORTIZATION EXPENSES	229,547	184,076	178,843	167,894	151,358
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	96,690	140,502	49,556	74,399	46,247
8	OTHER TAXES - OPERATING	110,608	107,688	96,031	91,062	81,225
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	81,384	81,779	83,366	84,615	84,525
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	900	1,000	1,000	1,000	987
11	EARNINGS AVAILABLE FOR COMMON EQUITY	115,624	165,203	39,182	84,838	56,193
12	TOTAL	$ 1,055,089	$ 1,076,116	$ 784,307	$ 801,675	$ 728,213
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	8.9	8.6	10.5	9.7	9.9
14	OTHER OPERATION AND MAINTENANCE EXPENSES	30.9	28.2	32.4	27.4	32.3
15	DEPRECIATION AND AMORTIZATION EXPENSES	21.8	17.1	22.8	20.9	20.8
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	9.2	13.1	6.3	9.3	6.4
18	OTHER TAXES - OPERATING	10.5	10.0	12.2	11.4	11.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.7	7.6	10.6	10.6	11.6
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.1	0.1	0.1	0.1	0.1
21	EARNINGS AVAILABLE FOR COMMON EQUITY	11.0	15.4	5.0	10.6	7.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 5.04	$ 5.15	$ 4.75	$ 4.60	$ 4.33
24	OTHER OPERATION AND MAINTENANCE EXPENSES	17.55	16.91	14.63	12.96	14.06
25	DEPRECIATION AND AMORTIZATION EXPENSES	12.34	10.26	10.30	9.90	9.04
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	5.20	7.83	2.85	4.39	2.76
28	OTHER TAXES - OPERATING	5.94	6.00	5.53	5.37	4.85
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.37	4.56	4.80	4.99	5.05
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.05	0.06	0.06	0.06	0.06
31	EARNINGS AVAILABLE FOR COMMON EQUITY	6.21	9.21	2.26	5.00	3.36
32	TOTAL	$ 56.71	$ 59.98	$ 45.18	$ 47.28	$ 43.52

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

EMPIRE TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 12,085,757	$ 11,978,758	$ 10,532,736	$ 9,385,254	$ 9,121,112
2	ACCUMULATED PROVISION FOR DEPR+AMORT	3,802,607	3,738,599	3,268,439	3,132,575	2,994,894
3	NET TELEPHONE PLANT	8,283,150	8,240,165	7,264,297	6,252,679	6,126,218
4	INVESTMENTS IN AFFILIATED COMPANIES	9,000	9,000	9,000	9,000	9,000
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	32,501	32,501	30,838	30,838	30,838
7	OTHER INVESTMENTS AND FUNDS	303,864	147,114	142,114	142,114	142,114
8	TOTAL INVESTMENTS AND FUNDS	345,365	188,615	181,952	181,952	181,952
9	CASH AND WORKING FUNDS	985,476	104,606	241,599	104,632	1,931
10	SPECIAL CASH DEPOSITS	426	426	431	431	431
11	TEMPORARY CASH INVESTMENTS	-	2,975	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	376,595	272,511	230,988	119,443	22,833
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	271,642	9,267	120,944	29,002	62,074
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	61,255	65,443	77,939	62,160	70,216
15	MATERIALS AND SUPPLIES*	239,179	260,747	344,040	268,125	206,989
16	PREPAYMENTS	38,619	68,922	61,919	61,068	58,816
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	1,973,192	784,896	1,077,880	644,861	423,290
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	9,585	10,386	11,187	11,988	12,789
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	82,443	85,483	121,186	149,700	181,229
23	TOTAL DEFERRED DEBITS	92,028	95,869	132,373	161,688	194,018
24	TOTAL ASSETS AND OTHER DEBITS	10,693,735	$ 9,309,549	$ 8,656,482	$ 7,241,180	$ 6,925,478
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 587,737	$ 587,737	$ 45,550	$ 45,550	$ 45,550
26	PREFERRED CAPITAL STOCK	72,350	72,350	72,350	72,350	72,350
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	2,912-	2,912-	2,912-	2,912-	2,912-
33	RETAINED EARNINGS	2,882,763	2,186,990	2,415,731	2,033,975	1,848,693
34	TOTAL PROPRIETARY CAPITAL	3,539,938	2,844,165	2,530,719	2,148,963	1,963,681
35	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	6,533,811	3,651,832	3,771,372	3,887,099	3,996,739
38	TOTAL LONG-TERM DEBT	6,533,811	3,651,832	3,771,372	3,887,099	3,996,739
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	12,446	10,686	8,880	35,444	112,958
40	OTHER NOTES AND ACCOUNTS PAYABLE	153,898	1,767,223	1,597,945	553,288	475,662
41	CUSTOMERS DEPOSITS	3,176	3,916	17,185	15,681	15,216
42	ADVANCE BILLING AND PAYMENTS	6,138	5,016	4,953	3,973	3,660
43	TAXES ACCRUED	187,530	12,979	7,024-	55,008	11,012-
44	OTHER CURRENT AND ACCRUED LIABILITIES	186,094	159,618	109,827	166,406	180,010
45	TOTAL CURRENT AND ACCRUED LIABILITIES	549,282	1,959,437	1,731,766	829,800	776,494
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	338,818	300,325	260,425	186,261	81,676
48	OTHER DEFERRED CREDITS	10,066	9,456	-	8,236	7,625
49	TOTAL DEFERRED CREDITS	348,884	309,781	260,425	194,497	89,301
50	OPERATING RESERVES	-	-	8,846	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	721,820	544,334	353,354	180,821	99,263
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 10,693,735	$ 9,309,549	$ 8,656,482	$ 7,241,180	$ 6,925,478
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	3.59	0.40	0.62	0.78	0.55
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	60.9	56.2	59.8	64.3	67.0
55	PREFERRED STOCK	0.7	1.1	1.1	1.1	1.2
56	COMMON STOCK+OTHER PAID-IN CAPITAL	6.4	9.0	0.6	0.7	0.7
57	RETAINED EARNINGS	31.7	33.6	38.3	33.6	31.0
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	45.7	30.4	35.8	41.4	43.8
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	31.4	31.2	31.0	33.3	32.8

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

EMPIRE TELEPHONE CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 3,870,547	$ 3,434,141	$ 3,242,085	$ 2,875,796	$ 2,516,915	1
OPERATION AND MAINTENANCE EXPENSE	1,748,341	1,672,681	1,532,045	1,433,031	1,341,767	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	560,440	541,422	460,843	445,023	466,616	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	352,141	432,564	342,051	346,154	288,696	6
INCOME TAXES-OPERATING	192,417	80,921	123,106	154,283	57,945	7
OPERATING INCOME TAXES DEFERRED	177,486	190,980	172,533	81,558	10,494	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	3,030,825	2,918,568	2,630,578	2,460,049	2,165,518	10
TOTAL TELEPHONE OPERATING INCOME	839,722	515,573	611,507	415,747	351,397	11
OTHER INCOME						
DIVIDEND INCOME	710	673	632	583	70	12
INTEREST INCOME	67,457	36,389	36,683	582	70	13
ALLOWANCE FOR CONSTRUCTION FUNDS	38,244	24,332	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	610-	610-	610-	710-	647-	16
MISCELLANEOUS INCOME	30,671	26,113	23,977	14,103	9,294	17
TOTAL OTHER INCOME	136,472	86,897	60,682	14,558	8,787	18
TOTAL INCOME	976,194	602,470	672,189	430,305	360,184	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	681	683	20
INCOME TAXES-NONOPERATING	5,323-	5,437-	5,545-	5,648-	5,746-	21
MISCELLANEOUS INCOME CHARGES	27,887	29,509	27,327	30,800	27,220	22
TOTAL INCOME DEDUCTIONS	22,564	24,072	21,782	25,833	22,157	23
INCOME BEFORE INTEREST CHARGES	953,630	578,398	650,407	404,472	338,027	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	343,619	151,403	160,137	159,411	161,738	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	801	801	801	801	801	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	12,247	108,499	103,464	54,729	13,084	29
TOTAL INTEREST CHARGES	356,667	260,703	264,402	214,941	175,623	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	596,963	317,695	386,005	189,531	162,404	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	217,252	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	39,982-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	94,202	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	103,059	-	-	-	-	35
NET INCOME	$ 700,022	$ 317,695	$ 386,005	$ 189,531	$ 162,404	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,186,990	$ 2,415,731	$ 2,033,975	$ 1,848,693	$ 1,704,206	37
BALANCE TRANSFERRED FROM INCOME	700,022	317,696	386,005	189,531	162,404	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	542,187	-	-	13,668	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	4,249	4,249	4,249	4,249	4,249	42
-COMMON STOCK	-	-	-	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,882,763	2,186,990	2,415,731	2,033,975	1,848,693	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,882,763	$ 2,186,990	$ 2,415,731	$ 2,033,975	$ 1,848,693	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	45.1	48.7	47.2	49.8	53.3	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	14.4	15.7	14.2	15.4	18.5	49
TOTAL INCOME TAXES-OPERATING	9.6	7.9	9.1	8.2	2.7	50
OTHER TAXES-OPERATING	9.0	12.5	10.5	12.0	11.4	51
TOTAL OPERATING EXPENSES	78.3	84.9	81.1	85.5	86.0	52
OPERATING INCOME	21.6	15.0	18.8	14.4	13.9	53
INTEREST EXPENSE						
PRETAX COVERAGE	3.6	3.1	3.5	2.9	2.2	54
NET INCOME-PERCENT OF OPERATING REVENUES	18.0	9.2	11.9	6.5	6.4	55
DIVIDEND APPROPRIATIONS. COMMON STOCK PERCENT OF EARNINGS AVAILABLE	-	-	-	-	-	56
PERCENT OF AVERAGE COMMON EQUITY EARNINGS AVAILABLE FOR COMMON STOCK	22.3	11.9	16.8	9.3	8.6	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

EMPIRE TELEPHONE CORPORATION

LINE NO	ITEM		1986		1985		1984		1983		1982
	FUNDS PROVIDED										
	INTERNAL SOURCES										
1	INCOME BEFORE EXTRAORDINARY ITEMS	$	596,963	$	317,695	$	386,005	$	189,531	$	162,404
	NON-CASH CHARGES (CREDITS) TO INCOME										
2	DEPRECIATION AND AMORTIZATION		598,811		603,624		520,449		503,466		531,802
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		215,979		230,880		245,723		186,143		50,116
4	INTEREST CAPITALIZED		38,244-		24,332-		-		-		-
5	OTHER (NET)		71,506		64,108		13,032		47,172		116
6											
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS		1,445,015		1,191,975		1,165,209		926,312		744,438
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES		103,059		-		-		-		-
9	TOTAL FUNDS FROM INTERNAL SOURCES		1,548,074		1,191,975		1,165,209		926,312		744,438
10	LESS DIVIDENDS: PREFERRED		4,249		4,249		4,249		4,249		4,249
11	COMMON		-		-		-		-		-
12	NET FUNDS FROM INTERNAL SOURCES		1,543,825		1,187,726		1,160,960		922,063		740,189
	EXTERNAL SOURCES										
13	LONG TERM DEBT		2,005,418		-		-		-		325,750
14	PREFERRED STOCK		-		-		-		-		-
15	COMMON STOCK		-		-		-		-		-
16	NET INCREASE IN SHORT TERM DEBT		-		-		500,000		250,000		250,000
17	OTHER (NET)		-		-		-		-		-
18											
19	TOTAL FUNDS FROM EXTERNAL SOURCES		2,005,418		-		500,000		250,000		575,750
20	OTHER SOURCES (NET)		651-		557,139		4,622		28,172		4,089
21											
22											
23	TOTAL FUNDS PROVIDED	$	3,548,592	$	1,744,865	$	1,665,582	$	1,200,235	$	1,320,028
	FUNDS APPLIED										
	CONSTRUCTION EXPENDITURES										
	GROSS ADDITIONS										
24	TELEPHONE PLANT	$	712,647	$	1,644,267	$	1,548,137	$	704,661	$	842,274
25	NON-UTILITY PLANT		-		-		-		-		-
26	OTHER		-		-		-		-		-
27	TOTAL GROSS ADDITIONS		712,647		1,644,267		1,548,137		704,661		842,274
28	LESS INTEREST CAPITALIZED		38,244		24,332		-		-		-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		674,403		1,619,935		1,548,137		704,661		842,274
	RETIREMENT OF DEBT AND SECURITIES										
30	LONG TERM DEBT		123,439		119,540		115,727		109,639		343,070
31	PREFERRED STOCK		-		-		-		-		-
32	REDEMPTION OF CAPITAL STOCK		-		-		-		-		-
33	NET DECREASE IN SHORT TERM DEBT		1,000,000		-		-		-		-
34	OTHER (NET)		-		-		-		-		-
35											
36	TOTAL RETIREMENT OF DEBT AND SECURITIES		1,123,439		119,540		115,727		109,639		343,070
37	OTHER USES (NET)		1,750,750		5,390		1,718		385,935		134,684
38											
39											
40	TOTAL FUNDS APPLIED	$	3,548,592	$	1,744,865	$	1,665,582	$	1,200,235	$	1,320,028

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

EMPIRE TELEPHONE CORPORATION

TELEPHONE OPERATING REVENUES

ITEM	1986	1985	1984	1983	1982	LINE NO
OPERATING REVENUES						
LOCAL REVENUES	$ 791,316	$ 740,163	$ 715,284	$ 632,061	$ 555,384	1
ACCESS REVENUES	1,300,201	849,441				2
TOLL REVENUES	1,511,760	1,632,382	2,455,214	2,172,478	1,879,608	3
MISCELLANEOUS REVENUES	276,276	237,195	84,601	83,966	91,387	4
UNCOLLECTIBLE REVENUES-DR	9,006	25,040	13,014	12,709	9,464	5
TOTAL TELEPHONE OPERATING REVENUE	$ 3,870,547	$ 3,434,141	$ 3,242,085	$ 2,875,796	$ 2,516,915	6
TELEPHONE ACCESS LINES IN SERVICE	5,615	5,680	5,666	5,437	5,715	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 140.11	$ 130.47	$ 128.85	$ 113.35	$ 100.70	8
ACCESS REVENUE	230.21	153.01				9
TOLL REVENUE	267.66	287.75	442.26	389.61	340.82	10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM	1986	1985	1984	1983	1982	LINE NO
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 747,823	$ 777,736	$ 735,976	$ 775,087	$ 620,060	11
DEPRECIATION + AMORTIZATION EXPENSES	560,440	541,422	460,843	445,023	466,616	12
TRAFFIC EXPENSES	87,358	83,483	100,262	28,056	42,011	13
COMMERCIAL EXPENSES	104,505	84,621	90,764	97,303	92,061	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	377,110	328,457	327,769	291,857	325,025	16
OTHER OPERATING EXPENSES	424,465	389,078	275,114	244,080	252,595	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 2,301,701	$ 2,204,797	$ 1,990,728	$ 1,881,406	$ 1,798,368	18

TELEPHONE UTILITY PLANT

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 11,154,004	$ 10,523,787	$ 9,782,611	$ 8,770,504	$ 8,276,311	19
PLANT UNDER CONSTRUCTION	513,932	1,037,160	332,304	196,929	426,980	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	274,984	274,984	274,984	274,984	274,984	22
PLANT ADJUSTMENTS	142,837	142,837	142,837	142,837	142,837	23
TOTAL TELEPHONE UTILITY PLANT	12,085,757	11,978,768	10,532,736	9,385,254	9,121,112	24
ACCUMULATED PROVISION FOR DEPR+AMORT	3,802,607	3,738,599	3,268,439	3,132,575	2,994,894	25
NET TELEPHONE PLANT	$ 8,283,150	$ 8,240,169	$ 7,264,297	$ 6,252,679	$ 6,126,218	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 10,523,787	$ 9,782,611	$ 8,770,504	$ 8,276,311	$ 7,842,279	27
ADDITIONS	1,235,875	939,411	1,412,762	934,712	548,826	28
RETIREMENTS	605,658	198,235	398,540	444,427	111,757	29
TRANSFERS AND ADJUSTMENTS	-	-	2,115-	3,908	3,027-	30
PLANT IN SERVICE END OF YEAR	$ 11,154,004	$ 10,523,787	$ 9,782,611	$ 8,770,504	$ 8,276,311	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

EMPIRE TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 3,870,547	$ 3,434,141	$ 3,242,085	$ 2,875,796	$ 2,516,915
2	ACCESS LINES (AVERAGE*)	5,648	5,673	5,552	5,576	5,515
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 956,908	$ 955,671	$ 834,039	$ 810,394	$ 857,148
4	OTHER OPERATION AND MAINTENANCE EXPENSES	791,433	717,010	698,006	622,637	484,619
5	DEPRECIATION AND AMORTIZATION EXPENSES	560,440	541,422	460,843	445,023	466,616
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	369,903	271,901	295,639	235,841	68,439
8	OTHER TAXES - OPERATING	352,141	432,564	342,051	346,154	288,696
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	340,770	251,627	284,402	214,941	175,623
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	4,052	4,006	4,249	4,249	4,249
11	EARNINGS AVAILABLE FOR COMMON EQUITY	494,900	259,940	342,866	196,557	171,525
12	TOTAL	$ 3,870,547	$ 3,434,141	$ 3,242,085	$ 2,875,796	$ 2,516,915
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	24.7	27.8	25.7	28.2	34.1
14	OTHER OPERATION AND MAINTENANCE EXPENSES	20.3	20.9	21.5	21.7	19.3
15	DEPRECIATION AND AMORTIZATION EXPENSES	14.5	15.8	14.2	15.5	18.5
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	9.6	7.9	9.1	8.2	2.7
18	OTHER TAXES - OPERATING	9.1	12.6	10.6	12.0	11.5
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.8	7.3	8.2	7.5	7.0
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.1	0.1	0.1	0.1	0.2
21	EARNINGS AVAILABLE FOR COMMON EQUITY	12.8	7.6	10.6	6.8	6.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER AVERAGE ACCESS LINE PER MONTH			
23	WAGES AND BENEFITS	$ 14.12	$ 14.04	$ 12.52	$ 12.11	$ 12.95
24	OTHER OPERATION AND MAINTENANCE EXPENSES	11.68	10.53	10.48	9.31	7.32
25	DEPRECIATION AND AMORTIZATION EXPENSES	8.27	7.95	6.92	6.65	7.05
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	5.46	3.99	4.44	3.52	1.03
28	OTHER TAXES - OPERATING	5.20	6.35	5.13	5.17	4.36
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.03	3.70	3.97	3.21	2.65
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.06	0.06	0.06	0.06	0.06
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.30	3.82	5.15	2.94	2.59
32	TOTAL	$ 57.11	$ 50.45	$ 48.67	$ 42.98	$ 38.03

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

THE FISHERS ISLAND TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 714,011	$ 637,009	$ 607,412	$ 578,713	$ 544,607
2	ACCUMULATED PROVISION FOR DEPR+AMORT	382,492	336,451	323,740	292,589	262,886
3	NET TELEPHONE PLANT	331,518	300,558	283,671	286,123	281,721
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	-	-	-	-	-
9	CASH AND WORKING FUNDS	31,276	39,329	18,428	55,190	46,487
10	SPECIAL CASH DEPOSITS	67,226	147,056	179,804	128,943	80,000
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	49,640	9,384	17,223	-	-
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	33,149	42,494	56,141	49,624	40,925
15	MATERIALS AND SUPPLIES*	14,307	8,897	9,817	12,050	11,330
16	PREPAYMENTS	19,822	5,168	389	1,291	91
17	OTHER CURRENT AND ACCRUED ASSETS	2,161	2,986	1,125	2,526	833
18	TOTAL CURRENT AND ACCRUED ASSETS	217,584	255,315	282,928	249,625	179,666
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	-	-	-	-	-
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	2,686	-	-	-	-
23	TOTAL DEFERRED DEBITS	2,686	-	-	-	-
24	TOTAL ASSETS AND OTHER DEBITS	551,790	$ 555,875	$ 566,600	$ 535,749	$ 461,387
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 78,518	$ 78,518	$ 78,518	$ 78,518	$ 78,518
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	361,919	369,407	387,070	395,260	344,466
34	TOTAL PROPRIETARY CAPITAL	440,437	447,925	465,588	473,778	422,984
35	BONDS(LESS BONDS REACQUIRED)	-	-	-	-	-
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	-	-	-	-	-
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	7,422	5,970	4,623	4,613	3,646
40	OTHER NOTES AND ACCOUNTS PAYABLE	25,597	39,440	32,240	21,[illegible]	12,078
41	CUSTOMERS DEPOSITS	310	610	450	1,510	875
42	ADVANCE BILLING AND PAYMENTS	-	-	18,691	19,111	14,959
43	TAXES ACCRUED	6,002	8,253	30,081	14,554	6,303
44	OTHER CURRENT AND ACCRUED LIABILITIES	10,169	4,550	14,924	565	542
45	TOTAL CURRENT AND ACCRUED LIABILITIES	44,417	58,824	101,012	61,970	38,403
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	-	-	-	-	-
48	OTHER DEFERRED CREDITS	54,549	29,956	-	-	-
49	TOTAL DEFERRED CREDITS	54,549	29,956	-	-	-
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	12,386	19,168	-	-	-
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 551,790	$ 555,875	$ 566,600	$ 535,749	$ 461,387
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	4.90	4.34	2.80	4.03	4.68
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	-	-	-	-	-
55	PREFERRED STOCK	-	-	-	-	-
56	COMMON STOCK+OTHER PAID-IN CAPITAL	17.8	17.5	16.8	16.5	18.5
57	RETAINED EARNINGS	82.1	82.4	83.1	83.4	81.4
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	-	-	-	-	-
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	53.5	52.8	53.2	50.5	48.2

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

THE FISHERS ISLAND TELEPHONE CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES $	352,095 $	403,223 $	340,470 $	313,132 $	261,657	1
OPERATION AND MAINTENANCE EXPENSE	253,109	203,784	160,598	191,344	161,653	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	46,041	31,604	31,150	29,703	25,988	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	26,662	30,804	21,849	20,190	16,714	6
INCOME TAXES-OPERATING	15,359	32,599	36,095	14,303	11,503	7
OPERATING INCOME TAXES DEFERRED	6,782-	2,040	-	-	-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	334,390	300,834	249,693	255,541	215,858	10
TOTAL TELEPHONE OPERATING INCOME	27,705	102,389	90,777	57,591	45,799	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	12,307	12,514	14,823	9,904	9,335	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	26,061	24,913	25,769	480	1,010	17
TOTAL OTHER INCOME	38,368	37,427	40,593	10,385	10,345	18
TOTAL INCOME	66,073	139,816	131,370	67,976	56,144	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	23,456	38,676	39,419	100	-	22
TOTAL INCOME DEDUCTIONS	23,456	38,676	39,419	100	-	23
INCOME BEFORE INTEREST CHARGES	42,618	101,140	91,951	67,876	56,144	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	-	-	-	-	-	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	-	-	-	-	-	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	106	1,674	141	81	114	29
TOTAL INTEREST CHARGES	106	1,674	141	81	114	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	42,512	99,465	91,809	67,794	56,030	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME $	42,512 $	99,465 $	91,809 $	67,794 $	56,030	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	369,407 $	387,070 $	395,260 $	344,465 $	303,436	37
BALANCE TRANSFERRED FROM INCOME	42,512	99,466	91,809	67,794	56,030	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	17,129	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	50,000	100,000	100,000	17,000	15,000	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	361,919	369,407	387,070	395,260	344,465	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR $	361,919 $	369,407 $	387,070 $	395,260 $	344,466	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	69.9	50.5	47.1	61.1	61.7	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	12.7	7.8	9.1	9.4	9.9	49
TOTAL INCOME TAXES-OPERATING	2.4	8.5	10.6	4.6	4.4	50
OTHER TAXES-OPERATING	7.3	7.6	6.4	6.4	6.3	51
TOTAL OPERATING EXPENSES	92.3	74.6	73.3	81.6	82.4	52
OPERATING INCOME	7.6	25.3	26.6	18.3	17.5	53
INTEREST EXPENSE:						
PRETAX COVERAGE	483.0	81.1	908.1	,014.6	593.4	54
NET INCOME-PERCENT OF OPERATING REVENUES	11.7	24.6	26.9	21.6	21.4	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	117.6	100.5	108.9	25.0	26.7	56
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON STOCK	9.5	21.1	19.5	15.1	13.9	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

THE FISHERS ISLAND TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 42,512	$ 99,466	$ 91,809	$ 67,794	$ 56,030
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	46,041	31,604	31,150	29,703	25,988
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	-	-	-	-	-
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	42,529	49,125	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	131,083	180,195	122,959	97,498	82,018
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	131,083	180,196	122,959	97,498	82,018
10	LESS DIVIDENDS PREFERRED	-	-	-	-	-
11	COMMON	50,000	100,000	100,000	17,000	15,000
12	NET FUNDS FROM INTERNAL SOURCES	81,083	80,195	22,959	80,498	67,018
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	-
20	OTHER SOURCES (NET)	-	34,737	5,739	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 81,083	$ 114,932	$ 28,699	$ 80,498	$ 67,018
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 77,001	$ 48,491	$ 28,699	$ 34,106	$ 37,562
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	77,001	48,491	28,699	34,106	37,562
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	77,001	48,491	28,699	34,106	37,562
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	-	-	-	-
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	-	-	-	-
37	OTHER USES (NET)	4,082	66,441	-	46,392	29,456
38						
39						
40	TOTAL FUNDS APPLIED	$ 81,083	$ 114,932	$ 28,699	$ 80,498	$ 67,018

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT.

YEARS ENDING DECEMBER 31

THE FISHERS ISLAND TELEPHONE CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 88.382	$ 69.132	$ 57.946	$ 57,893	$ 71,341	1
ACCESS REVENUES	133,940	228,576				2
TOLL REVENUES	110,596	77,382	264,773	218,298	157,900	3
MISCELLANEOUS REVENUES	29,175	28,132	17,750	36,941	32,416	4
UNCOLLECTIBLE REVENUES-DR	1,071	2,309	-	-	-	5
TOTAL TELEPHONE OPERATING REVENUE	$ 361,023	$ 400,913	$ 340,470	$ 313,132	$ 261,657	6
TELEPHONE ACCESS LINES IN SERVICE	823	771	722	701	687	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 110 89	$ 92 61	$ 81 44	$ 83 42	$ 108 75	8
ACCESS REVENUE	168 06	321 26				9
TOLL REVENUE	138 77	103 66	372 13	314 55	240 70	10

*YEAR END AVERAGE

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 89.093	$ 80.487	$ 55.554	$ 64,361	$ 57,211	11
DEPRECIATION + AMORTIZATION EXPENSES	46,041	31,605	31,150	29,703	25,988	12
TRAFFIC EXPENSES	138	41	1,237	4,810	4,798	13
COMMERCIAL EXPENSES	17,663	19,259	19,151	20,508	16,763	14
ACCESS EXPENSES	12,392	12,415	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	47,924	37,328	24,253	27,021	22,141	16
OTHER OPERATING EXPENSES	85,896	54,254	60,400	74,642	60,737	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 299,150	$ 235,389	$ 191,748	$ 221,047	$ 187,641	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 714,011	$ 637,009	$ 577,124	$ 566,801	$ 544,607	19
PLANT UNDER CONSTRUCTION	-	-	30,288	11,911	-	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	714,011	637,009	607,412	578,713	544,607	24
ACCUMULATED PROVISION FOR DEPR+AMORT	382,492	336,451	323,740	292,589	262,886	25
NET TELEPHONE PLANT	$ 331,518	$ 300,558	$ 283,671	$ 286,123	$ 281,721	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 637,009	$ 577,124	$ 566,801	$ 544,606	$ 514,734	27
ADDITIONS	77,001	32,047	10,322	22,195	37,562	28
RETIREMENTS	-	18,893	-	-	7,689	29
TRANSFERS AND ADJUSTMENTS	-	46,731	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 714,011	$ 637,009	$ 577,124	$ 566,801	$ 544,606	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

THE FISHERS ISLAND TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 362,095	$ 403,223	$ 340,470	$ 313,132	$ 261,657
2	ACCESS LINES (AVERAGE*)	797	747	712	694	656
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 73,388	$ 67,021	$ 64,598	$ 50,436	$ 62,159
4	OTHER OPERATION AND MAINTENANCE EXPENSES	179,723	136,763	96,000	140,908	99,494
5	DEPRECIATION AND AMORTIZATION EXPENSES	46,041	31,605	31,150	29,703	25,988
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	8,577	34,639	36,095	14,303	11,503
8	OTHER TAXES - OPERATING	26,662	30,804	21,849	20,190	16,714
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	106	1,674	141	81	114
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	27,599	100,715	90,636	57,510	45,685
12	TOTAL	$ 362,095	$ 403,223	$ 340,470	$ 313,132	$ 261,657
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	20.3	16.6	19.0	16.1	23.8
14	OTHER OPERATION AND MAINTENANCE EXPENSES	49.6	33.9	28.2	45.0	38.0
15	DEPRECIATION AND AMORTIZATION EXPENSES	12.7	7.8	9.1	9.5	9.9
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	2.4	8.6	10.6	4.6	4.4
18	OTHER TAXES - OPERATING	7.4	7.6	6.4	6.4	6.4
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	-	0.4	-	-	-
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	7.6	25.0	26.6	18.4	17.5
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 7.67	$ 7.48	$ 7.57	$ 6.06	$ 7.90
24	OTHER OPERATION AND MAINTENANCE EXPENSES	18.79	15.27	11.24	16.92	12.64
25	DEPRECIATION AND AMORTIZATION EXPENSES	4.81	3.53	3.65	3.57	3.30
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	0.90	3.87	4.23	1.72	1.46
28	OTHER TAXES - OPERATING	2.79	3.44	2.56	2.42	2.12
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	0.01	0.19	0.02	0.01	0.01
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	2.89	11.24	10.62	6.91	5.80
32	TOTAL	$ 37.86	$ 45.01	$ 39.88	$ 37.60	$ 33.24

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

GERMANTOWN TELEPHONE COMPANY, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 2,944,804	$ 2,559,743	$ 2,456,167	$ 2,397,317	$ 2,245,196
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,050,829	879,341	759,147	670,108	577,877
3	NET TELEPHONE PLANT	1,893,975	1,680,402	1,697,020	1,727,209	1,667,319
4	INVESTMENTS IN AFFILIATED COMPANIES	69,692	60,444	55,971	6,677	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	35,226	25,866	16,421	8,718	-
8	TOTAL INVESTMENTS AND FUNDS	104,918	86,310	72,392	15,395	-
9	CASH AND WORKING FUNDS	352,948	282,550	179,040	129,144	97,334
10	SPECIAL CASH DEPOSITS	100	100	100	100	100
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	35,251	11,986	11,820	1,630	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	82,596	161,009	120,689	9,125	17,153
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	124,143	113,883	125,075	113,713	109,704
15	MATERIALS AND SUPPLIES*	14,072	10,135	10,880	14,254	39,337
16	PREPAYMENTS	20,884	23,105	21,866	20,725	18,226
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	629,994	602,758	469,470	288,691	281,854
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	14,451	11,436	6,045	5,279	6,513
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	59,935	25,084	10,314	10,274	2,175
23	TOTAL DEFERRED DEBITS	74,386	36,520	16,359	15,553	8,688
24	TOTAL ASSETS AND OTHER DEBITS	2,703,273	$ 2,406,000	$ 2,255,241	$ 2,047,848	$ 1,957,861
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	50,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	755,917	583,300	400,646	330,144	275,463
34	TOTAL PROPRIETARY CAPITAL	835,917	663,300	480,646	410,144	405,463
35	BONDS (LESS BONDS REACQUIRED)	1,413,216	1,336,858	1,364,138	1,390,028	1,414,696
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	28,000	34,000	40,000	45,000	-
38	TOTAL LONG-TERM DEBT	1,441,216	1,370,858	1,404,138	1,435,028	1,414,696
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	2,020	393	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	195,423	210,981	275,769	129,972	76,938
41	CUSTOMERS' DEPOSITS	650	570	2,800	2,450	2,190
42	ADVANCE BILLING AND PAYMENTS	7,380	6,360	5,712	5,359	6,110
43	TAXES ACCRUED	5,573	4,594-	2,579	9,394	5,206
44	OTHER CURRENT AND ACCRUED LIABILITIES	18,234	18,953	19,102	18,538	14,988
45	TOTAL CURRENT AND ACCRUED LIABILITIES	227,260	232,280	307,982	166,106	105,432
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	176,760	103,894	41,768	29,252	25,839
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	176,760	103,894	41,768	29,252	25,839
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	22,120	35,866	20,707	7,318	5,431
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 2,703,273	$ 2,406,000	$ 2,255,241	$ 2,047,848	$ 1,957,861
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	2.77	2.60	1.52	1.74	2.67
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	63.2	67.3	74.4	77.7	77.7
55	PREFERRED STOCK	-	-	-	-	2.7
56	COMMON STOCK+OTHER PAID-IN CAPITAL	3.5	3.9	4.2	4.3	4.3
57	RETAINED EARNINGS	33.1	28.8	21.2	17.8	15.1
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	48.9	53.5	57.1	59.8	63.0
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	35.6	34.3	30.9	27.9	25.7

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

GERMANTOWN TELEPHONE COMPANY, INC

ITEM		1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS							
TELEPHONE OPERATING INCOME							
OPERATING REVENUES	$	1,258,778 $	1,230,256 $	1,033,932 $	950,412 $	868,691	1
OPERATION AND MAINTENANCE EXPENSE		670,759	649,773	627,398	616,775	567,123	2
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	3
DEPRECIATION		177,077	136,708	106,667	101,879	95,494	4
AMORTIZATION		-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING		109,072	100,219	107,002	100,981	85,665	6
INCOME TAXES-OPERATING		100,778	85,637	22,156	7,185	7,188	7
OPERATING INCOME TAXES DEFERRED		12,473-	16,354	13,293	3,322	1,102	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING		1,075-	1,393-	96	2,435-	1,816-	9
TOTAL OPERATING EXPENSES		1,044,138	987,298	876,612	827,707	754,754	10
TOTAL TELEPHONE OPERATING INCOME		214,640	242,958	157,320	122,705	113,937	11
OTHER INCOME							
DIVIDEND INCOME		-	-	-	-	-	12
INTEREST INCOME		16,690	13,149	11,393	7,409	5,785	13
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS		-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY		1,078	-	-	-	-	16
MISCELLANEOUS INCOME		14,670	1,514	7,400-	8,202	5,610	17
TOTAL OTHER INCOME		32,438	14,663	3,993	15,611	11,395	18
TOTAL INCOME		247,078	257,621	161,313	138,316	125,332	19
INCOME DEDUCTIONS							
TAXES OTHER THAN INC. TAXES-NONOPERATING		-	-	-	-	-	20
INCOME TAXES-NONOPERATING		-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES		792	1,160	2,037	543-	10,315	22
TOTAL INCOME DEDUCTIONS		792	1,160	2,037	543-	10,315	23
INCOME BEFORE INTEREST CHARGES		246,286	256,461	159,276	138,859	115,017	24
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		67,172	67,423	68,826	70,057	71,249	25
AMORT. OF DEBT DISCOUNT AND EXPENSE		234	234	234	234	234	26
AMORT. OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES		-	-	-	-	-	28
OTHER INTEREST EXPENSE		8,695	14,750	16,631	12,428	2,667	29
TOTAL INTEREST CHARGES		76,101	82,407	85,691	82,719	74,150	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS		170,185	174,054	73,585	56,140	40,867	31
EXTRAORDINARY/DELAYED ITEMS							
EXTRAORDINARY/DELAYED INCOME CREDITS		6,661	12,600	917	2,541	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES		229-	-	-	-	5,100-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS		-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT		6,432	12,600	917	2,541	5,100-	35
NET INCOME	$	176,617 $	186,654 $	74,502 $	58,681 $	35,767	36
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$	583,300 $	400,646 $	330,144 $	275,463 $	247,446	37
BALANCE TRANSFERRED FROM INCOME		176,617	186,654	74,502	58,681	35,767	38
MISCELLANEOUS CREDITS		-	-	-	-	-	39
MISCELLANEOUS DEBITS		-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK		-	-	-	-	3,750	42
-COMMON STOCK		4,000	4,000	4,000	4,000	4,000	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR		755,917	583,300	400,646	330,144	275,463	44
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$	755,917 $	583,300 $	400,646 $	330,144 $	275,463	46
SELECTED INCOME ACCOUNT RELATIONSHIPS							
PERCENT OF TELEPHONE OPERATING REVENUES							
OPERATION AND MAINTENANCE EXPENSE		53.2	52.8	60.6	64.8	65.2	47
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION		14.0	11.1	10.3	10.7	10.9	49
TOTAL INCOME TAXES-OPERATING		6.9	8.2	3.4	0.8	0.7	50
OTHER TAXES-OPERATING		8.6	8.1	10.3	10.6	9.8	51
TOTAL OPERATING EXPENSES		82.9	80.2	84.7	87.0	86.8	52
OPERATING INCOME		17.0	19.7	15.2	12.9	13.1	53
INTEREST EXPENSE PRETAX COVERAGE		4.2	4.2	2.2	1.7	1.6	54
NET INCOME-PERCENT OF OPERATING REVENUES		14.0	15.1	7.2	6.1	4.1	55
DIVIDEND APPROPRIATIONS, COMMON STOCK PERCENT OF EARNINGS AVAILABLE		2.2	2.1	5.3	6.8	12.4	56
PERCENT OF AVERAGE COMMON EQUITY EARNINGS AVAILABLE FOR COMMON STOCK		23.5	32.6	16.7	15.3	9.3	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

GERMANTOWN TELEPHONE COMPANY, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 170.185	$ 174.054	$ 73.585	$ 56.140	$ 40.867
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	184.735	147.540	120.311	115.029	106.840
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	59.318	77.087	25.905	4.300	326
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	414.238	398.681	219.801	175.469	148.033
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	6.432	12.600	917	2,541	5,100-
9	TOTAL FUNDS FROM INTERNAL SOURCES	420.670	411.281	220.718	178.010	142.933
10	LESS DIVIDENDS PREFERRED	-	-	-	-	3,750
11	COMMON	4,000	4.000	4.000	4.000	4.000
12	NET FUNDS FROM INTERNAL SOURCES	416.670	407.281	216.716	174.010	135.183
	EXTERNAL SOURCES					
13	LONG TERM DEBT	105.000	-	-	50.000	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	61.942	-	50.743
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	105.000	-	61.942	50.000	50.743
20	OTHER SOURCES (NET)	57.997	3.959	5.319	79.985	11,259
21						
22						
23	TOTAL FUNDS PROVIDED	$ 579.667	$ 411.240	$ 283.979	$ 303.995	$ 197.185
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 400.573	$ 130.651	$ 88.433	$ 179.027	$ 142.599
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	400.573	130.651	88.433	179.027	142.599
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	400.573	130.651	88.433	179.027	142.599
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	28.642	27.280	25.890	24.668	23.486
31	PREFERRED STOCK	-	-	-	50.000	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	88.512	8.652	-	15.521	-
34	OTHER (NET)	6.000	6.000	5.000	5.000	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	123.154	41.932	30.890	95.189	23.486
37	OTHER USES (NET)	55.940	238.657	164.656	29.779	31.100
38						
39						
40	TOTAL FUNDS APPLIED	$ 579.667	$ 411.240	$ 283.979	$ 303.995	$ 197.185

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

GERMANTOWN TELEPHONE COMPANY, INC

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 443,863	$ 348,679	$ 262,103	$ 244,633	$ 232,237	1
ACCESS REVENUES	390,429	489,348				2
TOLL REVENUES	287,790	283,631	750,820	694,233	619,978	3
MISCELLANEOUS REVENUES	144,764	123,104	33,345	26,877	32,224	4
UNCOLLECTIBLE REVENUES-DR	8,067	14,506	12,336	15,331	15,748	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,258,779	$ 1,230,256	$ 1,033,932	$ 950,412	$ 868,691	6
TELEPHONE ACCESS LINES IN SERVICE	1,807	1,735	1,706	1,645	1,643	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 250.63	$ 202.66	$ 156.43	$ 148.80	$ 141.18	8
ACCESS REVENUE	220.46	292.06				9
TOLL REVENUE	162.50	164.85	448.12	422.28	376.89	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 228,857	$ 212,602	$ 218,000	$ 202,008	$ 208,543	11
DEPRECIATION + AMORTIZATION EXPENSES	177,077	136,708	106,667	101,879	95,494	12
TRAFFIC EXPENSES	20,819	23,081	26,042	9,078	9,040	13
COMMERCIAL EXPENSES	60,905	61,016	57,109	56,463	50,163	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	202,605	202,558	183,299	177,193	153,856	16
OTHER OPERATING EXPENSES	157,573	150,517	142,948	172,033	145,521	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 847,836	$ 786,482	$ 734,065	$ 718,654	$ 662,617	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 2,671,180	$ 2,559,743	$ 2,456,167	$ 2,298,171	$ 2,216,735	19
PLANT UNDER CONSTRUCTION	273,624	-	-	99,146	28,461	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	2,944,804	2,559,743	2,456,167	2,397,317	2,245,196	24
ACCUMULATED PROVISION FOR DEPR+AMORT	1,050,829	879,341	759,147	670,108	577,877	25
NET TELEPHONE PLANT	$ 1,893,975	$ 1,680,402	$ 1,697,020	$ 1,727,209	$ 1,667,319	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,559,742	$ 2,456,167	$ 2,298,171	$ 2,216,735	$ 2,123,468	27
ADDITIONS	126,950	130,651	187,884	108,342	114,138	28
RETIREMENTS	15,512	27,075	29,888	26,906	20,871	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 2,671,180	$ 2,559,743	$ 2,456,167	$ 2,298,171	$ 2,216,735	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

GERMANTOWN TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 1,258,778	$ 1,230,256	$ 1,033,932	$ 950,412	$ 868,691
2	ACCESS LINES (AVERAGE*)	1,771	1,721	1,676	1,644	1,645
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 363,630	$ 354,386	$ 323,357	$ 287,875	$ 254,706
4	OTHER OPERATION AND MAINTENANCE EXPENSES	307,129	295,408	304,041	328,900	312,417
5	DEPRECIATION AND AMORTIZATION EXPENSES	177,077	136,708	106,667	101,879	95,494
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	87,230	100,598	35,545	8,072	6,472
8	OTHER TAXES - OPERATING	109,072	100,219	107,002	100,981	85,665
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	76,101	82,407	85,691	82,719	74,150
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	3,750
11	EARNINGS AVAILABLE FOR COMMON EQUITY	138,539	160,551	71,629	39,986	36,037
12	TOTAL	$ 1,258,778	$ 1,230,256	$ 1,033,932	$ 950,412	$ 868,691
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	28.9	28.8	31.3	30.3	29.3
14	OTHER OPERATION AND MAINTENANCE EXPENSES	24.4	24.0	29.4	34.6	36.0
15	DEPRECIATION AND AMORTIZATION EXPENSES	14.1	11.1	10.3	10.7	11.0
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	6.9	8.2	3.4	0.8	0.7
18	OTHER TAXES - OPERATING	8.7	8.1	10.3	10.6	9.9
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	6.0	6.7	8.3	8.7	8.5
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	0.4
21	EARNINGS AVAILABLE FOR COMMON EQUITY	11.0	13.1	6.9	4.2	4.1
22	TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER AVERAGE ACCESS LINE PER MONTH			
23	WAGES AND BENEFITS	$ 17.11	$ 17.16	$ 16.08	$ 14.59	$ 12.90
24	OTHER OPERATION AND MAINTENANCE EXPENSES	14.45	14.31	15.12	16.67	15.83
25	DEPRECIATION AND AMORTIZATION EXPENSES	8.33	6.62	5.31	5.16	4.84
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	4.10	4.87	1.77	0.41	0.33
28	OTHER TAXES - OPERATING	5.13	4.85	5.32	5.12	4.34
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.58	3.99	4.26	4.19	3.76
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	0.19
31	EARNINGS AVAILABLE FOR COMMON EQUITY	6.52	7.78	3.56	2.03	1.83
32	TOTAL	$ 59.23	$ 59.59	$ 51.42	$ 48.18	$ 44.01

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

HANCOCK TELEPHONE COMPANY, THE

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 2,374,523	$ 2,416,284	$ 2,080,778	$ 1,990,097	$ 1,833,571
2	ACCUMULATED PROVISION FOR DEPR+AMORT	920,792	946,385	823,483	696,941	572,746
3	NET TELEPHONE PLANT	1,453,731	1,469,899	1,257,295	1,293,156	1,260,825
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	13,180	9,710	7,422	5,749	-
7	OTHER INVESTMENTS AND FUNDS	52,800	40,800	35,800	32,800	32,800
8	TOTAL INVESTMENTS AND FUNDS	65,980	50,510	43,222	38,549	32,800
9	CASH AND WORKING FUNDS	4,199	949	423	4,280	13,220
10	SPECIAL CASH DEPOSITS	102,573	115,655	44,452	105,781	32,832
11	TEMPORARY CASH INVESTMENTS	-	-	182,303	-	40,000
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	110,799	102,114	116,133	38,904	20,341
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	101,728	93,924	85,800	61,646	64,008
15	MATERIALS AND SUPPLIES*	66,342	29,513	31,634	27,935	23,598
16	PREPAYMENTS	44,332	40,229	44,303	49,086	20,736
17	OTHER CURRENT AND ACCRUED ASSETS	16,552	15,211	12,916	11,711	10,011
18	TOTAL CURRENT AND ACCRUED ASSETS	446,525	397,595	517,964	299,343	224,746
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	9,421	9,806	10,192	10,577	10,962
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	2,157	2,414	4,072	5,696	6,545
23	TOTAL DEFERRED DEBITS	11,578	12,220	14,264	16,273	17,507
24	TOTAL ASSETS AND OTHER DEBITS	1,977,814	$ 1,930,224	$ 1,832,745	$ 1,647,321	$ 1,535,878
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	619,613	552,501	466,223	396,333	374,002
34	TOTAL PROPRIETARY CAPITAL	679,613	612,501	526,223	456,333	434,002
35	BONDS LESS BONDS REACQUIRED	983,724	999,389	1,013,876	1,069,165	1,002,748
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	52,140	61,079	70,017	-	-
38	TOTAL LONG-TERM DEBT	1,035,864	1,060,468	1,083,893	1,069,165	1,002,748
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	76,386	84,437	93,752	14,740	3,453
41	CUSTOMERS DEPOSITS	2,309	2,734	7,934	7,235	7,024
42	ADVANCE BILLING AND PAYMENTS	11,665	13,335	13,170	11,435	11,560
43	TAXES ACCRUED	638	4,559	7,592	7,377	491
44	OTHER CURRENT AND ACCRUED LIABILITIES	9,795	10,184	9,397	9,613	8,780
45	TOTAL CURRENT AND ACCRUED LIABILITIES	100,793	115,249	131,845	50,400	31,308
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	104,769	105,319	64,064	44,906	43,884
48	OTHER DEFERRED CREDITS	3,452	2,175	1,122	288	-
49	TOTAL DEFERRED CREDITS	108,221	107,494	65,186	45,194	43,884
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	53,323	34,512	25,598	26,229	23,936
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,977,814	$ 1,930,224	$ 1,832,745	$ 1,647,321	$ 1,535,878
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	4.43	3.45	3.93	5.94	7.18
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	60.3	63.3	67.3	70.0	69.7
55	PREFERRED STOCK	-	-	-	-	-
56	COMMON STOCK+OTHER PAID-IN CAPITAL	3.4	3.5	3.7	3.9	4.1
57	RETAINED EARNINGS	36.1	33.0	28.9	25.9	26.0
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	43.6	43.8	52.0	53.7	54.6
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	38.7	39.1	39.5	35.0	31.2

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

HANCOCK TELEPHONE COMPANY, THE

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 950,181	$ 877,385	$ 851,056	$ 703,307	$ 616,604	1
OPERATION AND MAINTENANCE EXPENSE	548,191	450,729	471,315	404,382	314,429	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	139,388	133,363	132,283	120,470	89,702	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	98,091	88,545	95,213	83,851	70,594	6
INCOME TAXES-OPERATING	270-	43,325	19,192	1,022	7,931	7
OPERATING INCOME TAXES DEFERRED	19,151	222-	2,472	3,296	5,272	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	340-	9,136	3,103-	1,003-	103	9
TOTAL OPERATING EXPENSES	804,211	724,876	717,372	612,018	488,031	10
TOTAL TELEPHONE OPERATING INCOME	145,970	152,509	133,684	91,289	128,573	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	7,432	15,462	16,589	9,149	10,577	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	215-	1,015-	-	-	16
MISCELLANEOUS INCOME	7,675	9,109	5,985	1,728	605	17
TOTAL OTHER INCOME	15,107	24,356	21,559	10,877	11,182	18
TOTAL INCOME	161,077	176,865	155,243	102,166	139,755	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	7,189	3,735	1,723	830	913	22
TOTAL INCOME DEDUCTIONS	7,189	3,735	1,723	830	913	23
INCOME BEFORE INTEREST CHARGES	153,888	173,130	153,520	101,336	138,842	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	69,377	70,772	71,700	67,138	67,089	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	385	385	385	385	385	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	224	282	745	682	954	29
TOTAL INTEREST CHARGES	69,986	71,439	72,830	68,205	68,428	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	83,902	101,691	80,690	33,131	70,414	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	4,790	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	4,790-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	2,203	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	4,790-	2,587	-	-	-	35
NET INCOME	$ 79,112	$ 104,278	$ 80,690	$ 33,131	$ 70,414	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 552,501	$ 466,223	$ 396,333	$ 374,002	$ 313,788	37
BALANCE TRANSFERRED FROM INCOME	79,112	104,278	80,690	33,131	70,414	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	12,000	18,000	10,800	10,800	10,200	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	619,613	552,501	466,223	396,333	374,002	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 619,613	$ 552,501	$ 466,223	$ 396,333	$ 374,002	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	57.6	51.3	55.3	57.4	50.9	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	14.6	15.2	15.5	17.1	14.5	49
TOTAL INCOME TAXES-OPERATING	2.0	6.0	2.2	0.5	2.2	50
OTHER TAXES-OPERATING	10.3	10.0	11.1	11.9	11.4	51
TOTAL OPERATING EXPENSES	84.6	82.6	84.2	87.0	79.1	52
OPERATING INCOME	15.3	17.3	15.7	12.9	20.8	53
INTEREST EXPENSE						
PRETAX COVERAGE	2.5	3.2	2.4	1.5	2.2	54
NET INCOME-PERCENT OF OPERATING REVENUES	8.3	11.8	9.4	4.7	11.4	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	15.1	17.2	13.3	32.5	14.4	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	12.2	18.3	16.4	7.4	17.4	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

HANCOCK TELEPHONE COMPANY, THE

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 83,902	$ 101,691	$ 80,690	$ 33,131	$ 70,414
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	142,107	147,620	153,709	139,198	103,666
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	18,261	50,169	18,527	3,315	13,306
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	1,277	1,053	834	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	245,547	300,533	253,760	175,644	187,386
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	4,790-	2,587	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	240,757	303,120	253,760	175,644	187,386
10	LESS DIVIDENDS PREFERRED	-	-	-	-	-
11	COMMON	12,000	18,000	10,800	10,800	10,200
12	NET FUNDS FROM INTERNAL SOURCES	228,757	285,120	242,960	164,844	177,186
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	37,000	80,445	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	37,000	80,445	-
20	OTHER SOURCES (NET)	3,187	127,082	8,924	5,721	14,965
21						
22						
23	TOTAL FUNDS PROVIDED	$ 231,944	$ 412,202	$ 288,884	$ 251,010	$ 192,151
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 134,549	$ 381,489	$ 119,623	$ 174,366	$ 177,684
25	NON-UTILITY PLANT	3,470	2,288	1,673	5,749	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	138,019	383,777	121,296	180,115	177,684
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	138,019	383,777	121,296	180,115	177,684
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	24,604	23,425	22,272	14,028	11,768
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	24,604	23,425	22,272	14,028	11,768
37	OTHER USES (NET)	69,321	5,000	145,316	56,867	2,699
38						
39						
40	TOTAL FUNDS APPLIED	$ 231,944	$ 412,202	$ 288,884	$ 251,010	$ 192,151

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT

YEARS ENDING DECEMBER 31

HANCOCK TELEPHONE COMPANY, THE

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 223,544	$ 236,524	$ 232,036	$ 213,583	$ 212,172	1
ACCESS REVENUES	291,132	262,248				2
TOLL REVENUES	334,278	279,209	595,474	481,708	393,872	3
MISCELLANEOUS REVENUES	102,427	100,004	24,146	14,016	19,560	4
UNCOLLECTIBLE REVENUES-DR	1,200	600	600	6,000	9,000	5
TOTAL TELEPHONE OPERATING REVENUE	$ 950,181	$ 877,385	$ 851,056	$ 703,307	$ 616,604	6
TELEPHONE ACCESS LINES IN SERVICE	1,340	1,296	1,282	1,254	1,260	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 169.61	$ 184.93	$ 184.45	$ 169.91	$ 167.66	8
ACCESS REVENUE	220.89	208.46				9
TOLL REVENUE	253.63	218.30	473.35	383.22	311.24	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 132,649	$ 100,810	$ 101,835	$ 104,895	$ 84,344	11
DEPRECIATION - AMORTIZATION EXPENSES	139,388	133,363	132,283	120,470	89,702	12
TRAFFIC EXPENSES	27,653	26,016	30,109	5,808	5,566	13
COMMERCIAL EXPENSES	35,310	33,452	39,155	34,145	30,215	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	201,023	167,854	185,608	129,914	120,489	16
OTHER OPERATING EXPENSES	151,556	122,597	114,608	129,620	73,815	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 687,579	$ 584,092	$ 603,598	$ 524,852	$ 404,131	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 2,268,568	$ 2,286,692	$ 1,974,531	$ 1,899,635	$ 1,757,197	19
PLANT UNDER CONSTRUCTION	32,821	55,648	31,493	14,898	-	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	675	1,485	2,295	3,105	3,915	22
PLANT ADJUSTMENTS	72,459	72,459	72,459	72,459	72,459	23
TOTAL TELEPHONE UTILITY PLANT	2,374,523	2,416,284	2,080,778	1,990,097	1,833,571	24
ACCUMULATED PROVISION FOR DEPR+AMORT	920,792	946,385	823,483	696,941	572,746	25
NET TELEPHONE PLANT	$ 1,453,731	$ 1,469,899	$ 1,257,295	$ 1,293,156	$ 1,260,825	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,286,692	$ 1,974,531	$ 1,899,635	$ 1,757,197	$ 1,603,350	27
ADDITIONS	157,376	357,334	103,028	159,649	181,156	28
RETIREMENTS	175,521	45,173	28,132	17,030	27,309	29
TRANSFERS AND ADJUSTMENTS	21	-	-	181-	-	30
PLANT IN SERVICE END OF YEAR	$ 2,268,568	$ 2,286,692	$ 1,974,531	$ 1,899,635	$ 1,757,197	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

HANCOCK TELEPHONE COMPANY, THE

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 950,181	$ 877,385	$ 851,056	$ 703,307	$ 616,604
2	ACCESS LINES (AVERAGE*)	1,318	1,279	1,258	1,257	1,266
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 276,199	$ 239,164	$ 252,637	$ 245,906	$ 186,815
4	OTHER OPERATION AND MAINTENANCE EXPENSES	271,992	211,486	218,678	158,476	127,614
5	DEPRECIATION AND AMORTIZATION EXPENSES	139,388	133,383	132,283	120,470	89,702
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	18,541	52,239	18,561	3,315	13,306
8	OTHER TAXES - OPERATING	98,091	88,545	95,213	83,851	70,594
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	69,986	71,439	72,830	68,205	68,428
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	75,984	81,070	60,854	23,084	60,145
12	TOTAL	$ 950,181	$ 877,385	$ 851,056	$ 703,307	$ 616,604
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	29.1	27.3	29.7	35.0	30.3
14	OTHER OPERATION AND MAINTENANCE EXPENSES	28.6	24.1	25.7	22.5	20.7
15	DEPRECIATION AND AMORTIZATION EXPENSES	14.7	15.2	15.5	17.1	14.5
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	2.0	6.0	2.2	0.5	2.2
18	OTHER TAXES - OPERATING	10.3	10.1	11.2	11.9	11.4
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.4	8.1	8.6	9.7	11.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	8.0	9.2	7.2	3.3	9.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 17.46	$ 15.58	$ 16.74	$ 16.30	$ 12.30
24	OTHER OPERATION AND MAINTENANCE EXPENSES	17.20	13.78	14.49	10.51	8.40
25	DEPRECIATION AND AMORTIZATION EXPENSES	8.81	8.69	8.76	7.99	5.91
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	1.17	3.40	1.23	0.22	0.88
28	OTHER TAXES - OPERATING	6.20	5.77	6.31	5.56	4.65
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.43	4.66	4.82	4.52	4.51
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	4.80	5.28	4.03	1.53	3.96
32	TOTAL	$ 60.08	$ 57.17	$ 56.38	$ 46.63	$ 40.60

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

HIGHLAND TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 70,287,035	$ 63,835,406	$ 58,530,772	$ 52,531,561	$ 49,353,431
2	ACCUMULATED PROVISION FOR DEPR+AMORT	17,433,173	16,676,775	16,645,247	17,600,414	15,104,218
3	NET TELEPHONE PLANT	52,853,862	47,158,631	41,885,525	34,931,147	34,249,213
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	87,830	71,407	-	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	8,000
8	TOTAL INVESTMENTS AND FUNDS	87,830	71,407	-	-	8,000
9	CASH AND WORKING FUNDS	585,225	209,590	273,892	3,994	1,475
10	SPECIAL CASH DEPOSITS	1,000	1,000	25,459	1,000	18,170
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	1,153,107	131,986	62,773	14,348	7,255
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	181,638	678,016	578,623	533,152	184,468
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	2,983,139	3,319,176	2,317,865	3,795,721	2,771,591
15	MATERIALS AND SUPPLIES*	1,174,605	1,296,421	1,085,806	1,043,941	978,730
16	PREPAYMENTS	564,033	535,796	499,680	616,827	471,971
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	192,046	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	6,642,747	6,170,985	6,039,144	6,008,983	4,433,660
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	154,869	170,699	185,690	202,844	114,313
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	525,478	662,080	898,317	506,456	560,650
23	TOTAL DEFERRED DEBITS	680,347	832,779	1,083,007	709,300	674,963
24	TOTAL ASSETS AND OTHER DEBITS	60,264,786	$ 54,233,802	$ 49,007,676	$ 41,649,430	$ 39,365,836
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 2,280,411	$ 2,280,411	$ 2,280,411	$ 2,280,411	$ 2,28[illegible]411
26	PREFERRED CAPITAL STOCK	2,565,400	2,573,400	2,581,400	2,589,400	2,597[illegible]00
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	688,593	688,593	688,593	688,593	688,593
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	7,000,000	7,000,000	7,000,000	3,500,000	3,500,000
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	14,950,269	13,098,808	11,590,794	10,580,792	9,581,878
34	TOTAL PROPRIETARY CAPITAL	27,484,673	25,641,212	24,141,198	19,639,196	18,648,282
35	BONDS (LESS BONDS REACQUIRED)	12,872,500	13,005,000	13,137,500	13,878,000	12,448,500
36	ADVANCES FROM AFFILIATED COMPANIES	1,500,000	1,500,000	1,600,000	2,000,000	3,050,000
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	14,372,500	14,505,000	14,737,500	15,878,000	15,498,500
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	510,593	1,410,999	1,827,207	153,833	337,063
40	OTHER NOTES AND ACCOUNTS PAYABLE	8,165,769	4,762,331	2,017,895	564,163	818,620
41	CUSTOMERS DEPOSITS	253,568	179,446	167,993	154,584	176,175
42	ADVANCE BILLING AND PAYMENTS	228,742	209,145	219,624	121,562	208,498
43	TAXES ACCRUED	399,428	302,324	476,544	936,432	187,013
44	OTHER CURRENT AND ACCRUED LIABILITIES	992,171	898,036	995,244	775,920	622,562
45	TOTAL CURRENT AND ACCRUED LIABILITIES	10,550,271	7,762,281	5,704,507	2,706,494	2,349,932
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	2,812,470	2,667,070	1,922,070	1,289,670	1,056,870
48	OTHER DEFERRED CREDITS	44,764	35,931	16,593	62	1,343
49	TOTAL DEFERRED CREDITS	2,857,234	2,703,001	1,938,663	1,289,732	1,058,213
50	OPERATING RESERVES	40,000	50,000	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	4,960,108	3,572,308	2,485,808	2,136,008	1,810,909
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 60,264,786	$ 54,233,802	$ 49,007,676	$ 41,649,430	$ 39,365,836
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	0.63	0.79	1.06	2.22	1.89
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	34.3	36.1	37.9	44.7	45.3
55	PREFERRED STOCK	6.1	6.4	6.6	7.2	7.6
56	COMMON STOCK+OTHER PAID-IN CAPITAL	23.8	24.8	25.6	18.2	18.9
57	RETAINED EARNINGS	35.7	32.6	29.8	29.7	28.0
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	20.4	22.7	25.1	30.2	31.4
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	24.8	26.1	28.4	33.5	30.6

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

HIGHLAND TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 26,208,507	$ 25,480,452	$ 23,219,676	$ 21,210,224	$ 17,736,174	1
OPERATION AND MAINTENANCE EXPENSE	9,805,731	10,518,894	9,461,803	8,976,775	7,963,681	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	4,685,868	4,471,906	4,205,817	3,480,559	2,381,506	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	2,559,121	2,634,592	2,867,034	2,674,940	2,187,963	6
INCOME TAXES-OPERATING	1,901,084	2,026,399	2,248,701	1,883,973	1,111,401	7
OPERATING INCOME TAXES DEFERRED	1,592,200	1,148,600	576,400	567,900	463,400	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	204,400-	211,000-	226,600-	242,800-	130,600-	9
TOTAL OPERATING EXPENSES	20,339,604	20,589,391	19,133,165	17,341,347	13,977,341	10
TOTAL TELEPHONE OPERATING INCOME	5,868,903	4,891,061	4,086,521	3,868,877	3,758,833	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	26,256	-	383	15	-	13
ALLOWANCE FOR CONSTRUCTION FUNDS	251,314	200,456	155,073	61,831	62,813	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	335,358	357,976	333,035	71,582	107,379	17
TOTAL OTHER INCOME	612,928	558,432	488,471	133,428	170,192	18
TOTAL INCOME	6,481,831	5,449,493	4,574,992	4,002,305	3,929,025	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	12,817	16,432	21,790	36,231	-	20
INCOME TAXES-NONOPERATING	7,827-	39,749	60,285	52,357-	30,402-	21
MISCELLANEOUS INCOME CHARGES	107,465	29,085	28,053	41,285	19,372	22
TOTAL INCOME DEDUCTIONS	112,455	85,266	110,128	25,159	11,030-	23
INCOME BEFORE INTEREST CHARGES	6,369,376	5,364,227	4,464,864	3,977,146	3,940,055	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	1,201,127	1,211,798	1,222,467	1,187,905	1,060,615	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	15,831	15,994	16,154	14,911	10,882	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	354,580	203,534	363,208	251,153	262,821	29
TOTAL INTEREST CHARGES	1,571,538	1,431,326	1,601,829	1,453,969	1,334,318	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	4,797,838	3,932,901	2,863,035	2,523,177	2,605,737	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	319-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	319-	35
NET INCOME	$ 4,797,838	$ 3,932,901	$ 2,863,035	$ 2,523,177	$ 2,605,418	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 13,098,808	$ 11,590,794	$ 10,580,792	$ 9,581,878	$ 8,775,001	37
BALANCE TRANSFERRED FROM INCOME	4,797,838	3,932,901	2,863,035	2,523,177	2,605,418	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	164,275	164,747	165,508	166,156	166,780	42
-COMMON STOCK	2,782,101	2,260,140	1,687,525	1,358,107	1,631,761	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	14,950,269	13,098,808	11,590,794	10,580,792	9,581,878	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 14,950,269	$ 13,098,808	$ 11,590,794	$ 10,580,792	$ 9,581,878	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	37.4	41.2	40.7	42.3	44.9	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	17.8	17.5	18.1	16.4	13.4	49
TOTAL INCOME TAXES-OPERATING	12.5	11.6	11.2	10.4	8.1	50
OTHER TAXES-OPERATING	9.7	10.3	12.3	12.6	12.3	51
TOTAL OPERATING EXPENSES	77.6	80.8	82.4	81.7	78.8	52
OPERATING INCOME	22.3	19.1	17.5	18.2	21.1	53
INTEREST EXPENSE						
PRETAX COVERAGE	6.0	5.7	4.4	4.1	3.9	54
NET INCOME-PERCENT OF OPERATING REVENUES	18.3	15.4	12.3	11.8	14.6	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	60.0	59.9	62.5	57.6	66.9	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	19.3	16.8	13.9	14.2	15.5	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

HIGHLAND TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 4,797,838	$ 3,932,901	$ 2,863,035	$ 2,523,177	$ 2,605,737
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	4,701,699	4,487,898	4,221,971	3,495,470	2,392,388
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	1,533,200	1,831,500	982,200	557,899	549,101
4	INTEREST CAPITALIZED	251,314-	200,456-	155,073-	61,831-	62,813-
5	OTHER (NET)	145,435	303,575	133,679	62,194	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	10,926,858	10,355,418	8,045,812	6,576,909	5,484,413
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	319-
9	TOTAL FUNDS FROM INTERNAL SOURCES	10,926,858	10,355,418	8,045,812	6,576,909	5,484,094
10	LESS DIVIDENDS PREFERRED	164,276	164,747	165,508	166,156	166,780
11	COMMON	2,782,101	2,260,140	1,687,525	1,358,107	1,631,761
12	NET FUNDS FROM INTERNAL SOURCES	7,980,481	7,930,531	6,192,779	5,052,646	3,685,553
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	1,429,500	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	2,500,000	3,100,000	-	-	-
17	OTHER (NET)	-	-	3,500,000	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	2,500,000	3,100,000	3,500,000	1,429,500	-
20	OTHER SOURCES (NET)	-	-	2,850,705	-	2,475,000
21						
22						
23	TOTAL FUNDS PROVIDED	$ 10,480,481	$ 11,030,531	$ 12,543,484	$ 6,482,146	$ 6,160,553
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 10,381,099	$ 9,745,012	$ 11,160,195	$ 4,162,493	$ 4,243,434
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	10,381,099	9,745,012	11,160,195	4,162,493	4,243,434
28	LESS INTEREST CAPITALIZED	251,314	200,456	155,073	61,831	62,813
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	10,129,785	9,544,556	11,005,122	4,100,662	4,180,621
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	132,500	132,500	740,500	-	-
31	PREFERRED STOCK	8,000	8,000	8,000	8,000	8,000
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	679,500
34	OTHER (NET)	54,660	107,524	389,862	-	482,976
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	195,160	248,024	1,138,362	8,000	1,170,476
37	OTHER USES (NET)	155,536	1,237,961	400,000	2,373,484	809,456
38						
39						
40	TOTAL FUNDS APPLIED	$ 10,480,481	$ 11,030,531	$ 12,543,484	$ 6,482,146	$ 6,160,553

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

HIGHLAND TELEPHONE COMPANY

ITEM		1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	8,012,747 $	7,875,647 $	7,059,933 $	6,191,467 $	5,191,939	1
ACCESS REVENUES		10,019,191	-				2
TOLL REVENUES		5,919,651	16,415,441	15,250,313	14,205,958	11,770,649	3
MISCELLANEOUS REVENUES		2,514,196	1,415,299	1,115,353	994,784	904,113	4
UNCOLLECTIBLE REVENUES-DR		257,278	225,935	205,923	181,985	130,527	5
TOTAL TELEPHONE OPERATING REVENUE	$	26,208,507 $	25,480,452 $	23,219,676 $	21,210,224 $	17,736,174	6
TELEPHONE ACCESS LINES IN SERVICE		42,191	39,410	36,602	35,329	34,084	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 196 39	$ 207 22	$ 196 30	$ 178 40	$ 154 81	8
ACCESS REVENUE		245 57	-				9
TOLL REVENUE		145 09	431 92	424 03	409 32	350 96	10

*YEAR END AVERAGE

ITEM		1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	4,133,532 $	4,019,427 $	3,632,344 $	3,443,215 $	3,161,258	11
DEPRECIATION + AMORTIZATION EXPENSES		4,685,868	4,471,906	4,208,817	3,480,559	2,381,506	12
TRAFFIC EXPENSES		190,633	1,160,973	1,702,671	1,637,681	1,448,297	13
COMMERCIAL EXPENSES		1,560,409	1,370,443	1,241,997	1,138,663	1,075,820	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		2,037,604	1,886,643	1,539,038	1,314,785	1,004,356	16
OTHER OPERATING EXPENSES		1,883,553	2,081,408	1,345,753	1,442,430	1,283,950	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	14,491,599 $	14,990,800 $	13,667,620 $	12,457,334 $	10,345,187	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	66,820,081 $	61,035,914 $	54,527,628 $	50,863,426 $	48,232,108	19
PLANT UNDER CONSTRUCTION		3,384,235	2,717,183	3,932,688	1,627,454	1,079,220	20
PROPERTY HELD FOR FUTURE USE		82,719	82,309	70,456	40,681	42,103	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		70,287,035	63,835,406	58,530,772	52,531,561	49,353,431	24
ACCUMULATED PROVISION FOR DEPR+AMORT		17,433,173	16,676,775	16,645,247	17,600,414	15,104,218	25
NET TELEPHONE PLANT	$	52,853,862 $	47,158,631 $	41,885,526 $	34,931,147 $	34,249,213	26
PLANT IN SERVICE BEGINNING OF YEAR	$	61,035,914 $	54,527,628 $	50,863,426 $	48,232,108 $	44,992,380	27
ADDITIONS		9,847,299	11,244,684	9,141,964	3,987,256	4,870,970	28
RETIREMENTS		4,060,504	4,736,398	5,481,244	1,355,938	1,631,242	29
TRANSFERS AND ADJUSTMENTS		2,528-	-	3,482	-	-	30
PLANT IN SERVICE END OF YEAR	$	66,820,081 $	61,035,914 $	54,527,628 $	50,863,426 $	48,232,108	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

HIGHLAND TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 26,208,507	$ 25,480,452	$ 23,219,676	$ 21,210,224	$ 17,736,174
2	ACCESS LINES (AVERAGE*)	40,801	38,006	35,966	34,707	33,538
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 6,200,215	$ 5,779,368	$ 6,433,100	$ 6,341,852	$ 5,556,150
4	OTHER OPERATION AND MAINTENANCE EXPENSES	3,605,516	4,739,526	3,028,703	2,634,923	2,407,531
5	DEPRECIATION AND AMORTIZATION EXPENSES	4,685,868	4,471,906	4,205,817	3,480,559	2,381,506
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	3,288,884	2,963,999	2,598,501	2,209,073	1,444,201
8	OTHER TAXES - OPERATING	2,559,121	2,634,592	2,867,034	2,674,940	2,187,963
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1,484,081	1,383,417	1,564,611	1,439,817	1,319,291
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	158,666	158,340	158,673	163,016	163,721
11	EARNINGS AVAILABLE FOR COMMON EQUITY	4,226,156	3,349,304	2,363,237	2,266,044	2,275,821
12	TOTAL	$ 26,208,507	$ 25,480,452	$ 23,219,676	$ 21,210,224	$ 17,736,174
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	23.7	22.7	27.7	29.9	31.3
14	OTHER OPERATION AND MAINTENANCE EXPENSES	13.8	18.6	13.0	12.4	13.6
15	DEPRECIATION AND AMORTIZATION EXPENSES	17.9	17.6	18.1	16.4	13.4
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	12.5	11.6	11.2	10.4	8.1
18	OTHER TAXES - OPERATING	9.8	10.3	12.3	12.6	12.3
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.7	5.4	6.7	6.8	7.4
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.6	0.7	0.8	0.9
21	EARNINGS AVAILABLE FOR COMMON EQUITY	16.1	13.1	10.2	10.7	12.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 12.66	$ 12.67	$ 14.91	$ 15.23	$ 13.81
24	OTHER OPERATION AND MAINTENANCE EXPENSES	7.36	10.39	7.02	6.33	5.98
25	DEPRECIATION AND AMORTIZATION EXPENSES	9.57	9.81	9.75	8.36	5.92
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	6.72	6.50	6.02	5.30	3.59
28	OTHER TAXES - OPERATING	5.23	5.78	6.64	6.42	5.44
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.03	3.03	3.63	3.46	3.28
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.32	0.35	0.37	0.39	0.41
31	EARNINGS AVAILABLE FOR COMMON EQUITY	8.63	7.34	5.48	5.44	5.65
32	TOTAL	$ 53.53	$ 55.87	$ 53.80	$ 50.93	$ 44.07

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

MARGARETVILLE TELEPHONE CO., INC.

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 4,268,441	$ 3,979,730	$ 3,948,033	$ 3,812,929	$ 2,687,917
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,023,953	801,459	919,465	1,121,738	972,502
3	NET TELEPHONE PLANT	3,244,488	3,178,271	3,028,568	2,691,191	1,715,415
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	73,300	61,300	56,300	53,300	-
8	TOTAL INVESTMENTS AND FUNDS	73,300	61,300	56,300	53,300	-
9	CASH AND WORKING FUNDS	372,068	168,546	88,367	71,519	47,530
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	168,186	157,045	61,585	42,250	31,148
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	245,555	150,697	200,300	38,768	14,644
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	183,122	130,212	121,822	112,101	108,860
15	MATERIALS AND SUPPLIES*	49,354	48,973	34,219	45,076	128,939
16	PREPAYMENTS	20,245	19,700	28,170	26,608	23,691
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	1,018,529	675,173	534,463	336,322	354,812
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	14,739	15,253	15,766	16,280	16,796
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	1,713	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	2,835	4,597	1,768	-	2,879
23	TOTAL DEFERRED DEBITS	17,574	19,850	17,534	17,993	19,675
24	TOTAL ASSETS AND OTHER DEBITS	4,353,891 $	3,934,594 $	3,636,865 $	3,098,806 $	2,089,902
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 130,000	$ 130,000	$ 130,000	$ 130,000	$ 130,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	1,355,675	1,097,159	933,945	799,493	671,763
34	TOTAL PROPRIETARY CAPITAL	1,485,675	1,227,159	1,063,945	929,493	801,763
35	BONDS (LESS BONDS REACQUIRED)	1,996,624	2,025,210	1,978,980	1,820,482	932,122
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	1,996,624	2,025,210	1,978,980	1,820,482	932,122
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	235,158	239,233	232,736	86,468	130,118
41	CUSTOMERS' DEPOSITS	275	725	4,875	3,975	3,675
42	ADVANCE BILLING AND PAYMENTS	17,343	15,540	13,272	12,162	10,266
43	TAXES ACCRUED	25,115	14,672-	7,043	15,988	23,809
44	OTHER CURRENT AND ACCRUED LIABILITIES	32,013	27,605	34,280	25,581	14,458
45	TOTAL CURRENT AND ACCRUED LIABILITIES	309,904	268,431	292,206	144,174	182,326
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	230,936	166,854	171,476	130,211	109,519
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	230,936	166,854	171,476	130,211	109,519
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	330,762	246,940	130,258	74,446	64,172
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 4,353,891	$ 3,934,594	$ 3,636,865	$ 3,098,806	$ 2,089,902
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	3.29	2.52	1.83	2.33	1.95
	PERCENT OF CAPITALIZATION:					
54	LONG TERM DEBT	57.3	62.2	65.0	66.1	53.7
55	PREFERRED STOCK	-	-	-	-	-
56	COMMON STOCK+OTHER PAID-IN CAPITAL	3.7	3.9	4.2	4.7	7.4
57	RETAINED EARNINGS	38.9	33.7	30.6	29.0	38.7
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	46.7	50.8	50.1	47.7	34.6
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	23.9	20.1	23.2	29.4	36.1

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

MARGARETVILLE TELEPHONE CO , INC

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,605,114 $	1,446,931 $	1,170,154 $	988,833 $	879,018	1
OPERATION AND MAINTENANCE EXPENSE	741,321	744,957	591,242	497,132	423,405	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	245,685	220,138	179,706	158,480	150,413	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	109,251	88,426	98,274	84,253	69,816	6
INCOME TAXES-OPERATING	51,661	3,876-	47,219	48,111	49,208	7
OPERATING INCOME TAXES DEFERRED	86,871	121,329	57,563	11,929	493-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	3,058-	4,648-	1,750-	1,655-	2,206-	9
TOTAL OPERATING EXPENSES	1,231,731	1,166,326	972,254	798,250	690,143	10
TOTAL TELEPHONE OPERATING INCOME	373,383	280,605	197,900	190,583	188,875	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	25,263	17,522	11,621	6,415	3,081	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	19,352	7,376	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	1,546	745	1,148	243	496	17
TOTAL OTHER INCOME	26,809	18,267	32,121	14,034	3,577	18
TOTAL INCOME	400,192	298,872	230,021	204,617	192,452	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	12	20
INCOME TAXES-NONOPERATING	11,586	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	1,623	4,378	2,268	3,974	3,228	22
TOTAL INCOME DEDUCTIONS	13,209	4,378	2,268	3,974	3,240	23
INCOME BEFORE INTEREST CHARGES	386,983	294,494	227,753	200,643	189,212	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	141,821	142,757	121,173	54,927	46,893	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	514	514	514	516	170	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	75	858	5,287	9,662	12,622	29
TOTAL INTEREST CHARGES	142,410	144,129	126,974	65,105	59,685	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	244,573	150,365	100,779	135,538	129,527	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	114,523	20,649	41,473	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	71,282-	-	-	658-	914-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	19,548	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	23,693	20,649	41,473	658-	914-	35
NET INCOME	$ 268,266 $	171,014 $	142,252 $	134,880 $	128,613	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 1,097,159 $	933,945 $	799,493 $	671,763 $	551,600	37
BALANCE TRANSFERRED FROM INCOME	268,266	171,014	142,252	134,880	128,613	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	9,750	7,800	7,800	7,150	8,450	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,355,675	1,097,159	933,945	799,493	671,763	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 1,355,675 $	1,097,159 $	933,945 $	799,493 $	671,763	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	46.1	51.4	50.5	50.2	48.1	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	15.3	15.2	15.3	16.0	17.1	49
TOTAL INCOME TAXES-OPERATING	8.4	7.8	8.8	5.9	5.3	50
OTHER TAXES-OPERATING	6.8	6.1	8.3	8.5	7.9	51
TOTAL OPERATING EXPENSES	76.7	80.6	83.0	80.7	78.5	52
OPERATING INCOME	23.2	19.3	16.9	19.2	21.4	53
INTEREST EXPENSE						
PRETAX COVERAGE	3.8	2.8	2.6	4.0	3.9	54
NET INCOME-PERCENT OF OPERATING REVENUES	16.7	11.8	12.1	13.6	14.6	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	3.6	4.5	5.4	5.3	6.5	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	19.7	14.9	14.2	15.5	17.3	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

MARGARETVILLE TELEPHONE CO., INC

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 244,573	$ 150,365	$ 100,779	$ 135,538	$ 129,527
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	270,297	221,662	182,204	171,551	170,534
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	147,894	112,059	97,077	30,966	23,723
4	INTEREST CAPITALIZED	-	-	19,352-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	662,764	484,086	360,708	338,055	323,784
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	23,693	20,649	41,473	658-	914-
9	TOTAL FUNDS FROM INTERNAL SOURCES	686,457	504,735	402,181	337,397	322,870
10	LESS DIVIDENDS PREFERRED	-	-	-	-	-
11	COMMON	9,750	7,800	7,800	7,150	8,450
12	NET FUNDS FROM INTERNAL SOURCES	676,707	496,935	394,381	330,247	314,420
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	71,000	182,000	905,000	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	20,000	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	71,000	182,000	925,000	-
20	OTHER SOURCES (NET)	19,978	25,865	23,854	5,364	26,820
21						
22						
23	TOTAL FUNDS PROVIDED	$ 696,685	$ 593,800	$ 600,235	$ 1,260,611	$ 341,240
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 347,747	$ 390,356	$ 538,245	$ 1,147,948	$ 225,315
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	347,747	390,356	538,245	1,147,948	225,315
28	LESS INTEREST CAPITALIZED	-	-	19,352	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	347,747	390,356	518,893	1,147,948	225,315
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	28,586	24,770	23,502	16,640	15,835
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	19,500	42,990	-	54,010
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	28,586	44,270	66,492	16,640	69,845
37	OTHER USES (NET)	320,352	159,174	14,850	96,023	46,080
38						
39						
40	TOTAL FUNDS APPLIED	$ 696,685	$ 593,800	$ 600,235	$ 1,260,611	$ 341,240

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

MARGARETVILLE TELEPHONE CO., INC

ITEM		1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES							
OPERATING REVENUES							
LOCAL REVENUES	$	425,409 $	344,277 $	330,780 $	311,001 $	295,042	1
ACCESS REVENUES		583,241	598,845				2
TOLL REVENUES		470,877	363,179	821,033	655,974	561,245	3
MISCELLANEOUS REVENUES		130,387	147,230	24,841	25,858	25,731	4
UNCOLLECTIBLE REVENUES-DR		4,300	6,600	6,500	4,000	3,000	5
TOTAL TELEPHONE OPERATING REVENUE	$	1,605,114 $	1,448,931 $	1,170,154 $	988,833 $	879,018	6
TELEPHONE ACCESS LINES IN SERVICE		2,885	2,769	2,681	2,546	2,455	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 150.48	$ 126.34	$ 126.57	$ 124.38	$ 122.04	8
ACCESS REVENUE		206.31	229.14				9
TOLL REVENUE		166.56	133.28	314.15	262.34	232.16	10

*YEAR END AVERAGE

ITEM		1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES							
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	231,042 $	218,140 $	164,779 $	143,575 $	116,233	11
DEPRECIATION + AMORTIZATION EXPENSES		245,685	220,138	179,706	158,480	150,413	12
TRAFFIC EXPENSES		20,909	25,398	28,844	11,746	11,507	13
COMMERCIAL EXPENSES		30,733	30,462	27,601	28,811	31,064	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		239,108	228,937	223,277	179,913	162,377	16
OTHER OPERATING EXPENSES		219,529	242,020	146,741	133,087	102,234	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	987,006 $	965,095 $	770,948 $	655,612 $	573,818	18
TELEPHONE UTILITY PLANT							
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	4,260,847 $	3,979,730 $	3,600,461 $	2,946,032 $	2,603,955	19
PLANT UNDER CONSTRUCTION		7,594	-	347,572	866,897	83,962	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		4,268,441	3,979,730	3,948,033	3,812,929	2,687,917	24
ACCUMULATED PROVISION FOR DEPR+AMORT		1,023,953	801,459	919,465	1,121,738	972,502	25
NET TELEPHONE PLANT	$	3,244,488 $	3,178,271 $	3,028,568 $	2,691,191 $	1,715,415	26
PLANT IN SERVICE BEGINNING OF YEAR	$	3,979,730 $	3,600,460 $	2,946,032 $	2,603,955 $	2,434,972	27
ADDITIONS		340,153	737,928	1,057,566	365,013	198,196	28
RETIREMENTS		59,036	358,658	403,138	22,936	29,213	29
TRANSFERS AND ADJUSTMENTS		-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$	4,260,847 $	3,979,730 $	3,600,460 $	2,946,032 $	2,603,955	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

MARGARETVILLE TELEPHONE CO., INC.

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 1,605,114	$ 1,446,931	$ 1,170,154	$ 988,833	$ 879,018
2	ACCESS LINES (AVERAGE*)	2,827	2,725	2,614	2,501	2,418
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 348,940	$ 330,418	$ 255,352	$ 212,516	$ 196,364
4	OTHER OPERATION AND MAINTENANCE EXPENSES	392,381	414,539	335,880	284,616	227,041
5	DEPRECIATION AND AMORTIZATION EXPENSES	245,685	220,138	179,706	158,480	150,413
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	135,474	112,805	103,032	58,385	46,509
8	OTHER TAXES - OPERATING	109,251	88,426	98,274	84,253	69,816
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	142,410	144,129	114,767	65,105	59,685
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	230,973	136,476	83,133	125,478	129,190
12	TOTAL	$ 1,605,114	$ 1,446,931	$ 1,170,154	$ 988,833	$ 879,018
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	21.7	22.8	21.8	21.5	22.3
14	OTHER OPERATION AND MAINTENANCE EXPENSES	24.4	28.6	28.7	28.8	25.8
15	DEPRECIATION AND AMORTIZATION EXPENSES	15.3	15.2	15.4	16.0	17.1
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	8.4	7.8	8.8	5.9	5.3
18	OTHER TAXES - OPERATING	6.8	6.1	8.4	8.5	7.9
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.9	10.0	9.8	6.6	6.8
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	14.4	9.4	7.1	12.7	14.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 10.29	$ 10.10	$ 8.14	$ 7.08	$ 6.77
24	OTHER OPERATION AND MAINTENANCE EXPENSES	11.57	12.68	10.71	9.49	7.83
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.24	6.73	5.73	5.28	5.18
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	3.99	3.45	3.29	1.95	1.60
28	OTHER TAXES - OPERATING	3.22	2.70	3.13	2.81	2.41
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.20	4.41	3.66	2.17	2.06
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	6.81	4.17	2.65	4.18	4.45
32	TOTAL	$ 47.31	$ 44.25	$ 37.31	$ 32.95	$ 30.30

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

MIDDLEBURGH TELEPHONE COMPANY, THE

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 7,794,241	$ 7,395,674	$ 7,236,234	$ 6,928,067	$ 6,598,019
2	ACCUMULATED PROVISION FOR DEPR+AMORT	2,507,717	2,216,329	2,180,180	1,983,694	1,779,956
3	NET TELEPHONE PLANT	5,286,524	5,179,345	5,056,054	4,944,373	4,818,063
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	121,134	42,093	20,862	3,907	-
7	OTHER INVESTMENTS AND FUNDS	42,000	30,000	25,000	22,000	15,000
8	TOTAL INVESTMENTS AND FUNDS	163,134	72,093	45,862	25,907	15,000
9	CASH AND WORKING FUNDS	244,629	349,824	193,524	151,139	61,598
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	172,318	255,603	66,129	21,371	10,085
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	224,584	128,371	197,787	100,770	14,696
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	210,295	181,728	179,570	158,756	144,341
15	MATERIALS AND SUPPLIES*	288,519	277,780	209,092	230,151	191,315
16	PREPAYMENTS	93,797	97,213	57,852	53,613	50,980
17	OTHER CURRENT AND ACCRUED ASSETS	3,021	2,916	2,810	2,699	2,592
18	TOTAL CURRENT AND ACCRUED ASSETS	1,237,163	1,294,525	965,584	718,499	475,607
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	9,698	10,061	10,404	3,657	3,797
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	1,184	714	6,338	20,635	17,327
23	TOTAL DEFERRED DEBITS	10,882	10,786	16,742	24,292	21,124
24	TOTAL ASSETS AND OTHER DEBITS	6,697,703	$ 6,556,728	$ 6,084,242	$ 5,713,071	$ 5,329,794
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 100,000	$ 100,000	$ 100,000	$ 100,000	$ 100,000
26	PREFERRED CAPITAL STOCK	93,100	93,100	105,000	116,100	127,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	2,089,163	1,923,388	1,636,330	1,325,989	1,061,729
34	TOTAL PROPRIETARY CAPITAL	2,282,263	2,116,488	1,741,330	1,542,089	1,288,729
35	BONDS(LESS BONDS REACQUIRED)	3,454,980	3,528,704	3,598,880	3,666,386	3,726,901
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	3,454,980	3,528,704	3,598,880	3,666,386	3,726,901
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	83,004	57,638	172,235	4,392	13,592
41	CUSTOMERS' DEPOSITS	-	-	200	4,485	4,345
42	ADVANCE BILLING AND PAYMENTS	-	-	-	106	-
43	TAXES ACCRUED	35,958	100,945	452	22,782	4,448-
44	OTHER CURRENT AND ACCRUED LIABILITIES	44,040	41,396	42,518	95,348	54,307
45	TOTAL CURRENT AND ACCRUED LIABILITIES	163,002	199,979	215,405	127,112	67,796
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	272,781	300,668	211,572	139,074	70,382
48	OTHER DEFERRED CREDITS	20,378	8,991	2,798	391	-
49	TOTAL DEFERRED CREDITS	293,159	309,659	214,370	139,465	70,382
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	504,319	401,898	314,277	239,049	175,986
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 6,697,703	$ 6,556,728	$ 6,084,242	$ 5,713,071	$ 5,329,794
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	7.59	6.47	4.48	5.66	7.02
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	60.2	62.5	67.3	70.3	74.3
55	PREFERRED STOCK	1.6	1.6	1.9	2.2	2.5
56	COMMON STOCK+OTHER PAID-IN CAPITAL	1.7	1.7	1.8	1.9	1.9
57	RETAINED EARNINGS	36.4	34.0	28.7	25.4	21.1
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	44.3	47.7	49.7	52.9	56.4
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	32.1	29.9	30.1	28.6	26.9

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

MIDDLEBURGH TELEPHONE COMPANY, THE

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES $	2,493,650 $	2,651,229 $	2,266,793 $	2,046,481 $	1,742,113	1
OPERATION AND MAINTENANCE EXPENSE	1,304,302	1,262,038	1,198,761	961,556	765,777	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	272,118	270,657	261,105	254,997	259,333	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	255,349	232,067	244,805	214,196	196,902	6
INCOME TAXES-OPERATING	139,503	210,004	79,755	76,375	44,292	7
OPERATING INCOME TAXES DEFERRED	109,217	101,299	82,970	79,437	45,047	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	6,796-	13,678-	7,742-	16,374-	14,401-	9
TOTAL OPERATING EXPENSES	2,073,693	2,062,385	1,859,654	1,570,187	1,296,950	10
TOTAL TELEPHONE OPERATING INCOME	419,957	588,844	407,139	476,294	445,163	11
OTHER INCOME						
DIVIDEND INCOME	595	595	560	490	-	12
INTEREST INCOME	28,350	22,109	14,840	4,540	5,835	13
ALLOWANCE FOR CONSTRUCTION FUNDS	12,071	5,209	10,064	4,928	5,408	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	29,680-	-	-	-	-	16
MISCELLANEOUS INCOME	25,904-	19,346-	9,452-	1,319	14,047	17
TOTAL OTHER INCOME	14,568-	8,567	16,012	11,277	25,290	18
TOTAL INCOME	405,389	597,411	423,151	487,571	470,453	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	2,921	-	21
MISCELLANEOUS INCOME CHARGES	13,042	4,628	1,689	4,382	3,729	22
TOTAL INCOME DEDUCTIONS	13,042	4,628	1,689	7,303	3,729	23
INCOME BEFORE INTEREST CHARGES	392,347	592,783	421,462	480,268	466,724	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	183,693	187,268	189,632	194,136	196,879	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	353	353	353	140	141	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	-	14	58	840	900	29
TOTAL INTEREST CHARGES	184,046	187,635	190,043	195,115	197,920	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	208,301	405,148	231,419	285,153	268,804	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	13,721-	18,994	8,775	5,474	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	96-	-	307-	1,614-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	8,737	4,037	2,696	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	13,721-	10,161	4,738	2,471	1,614-	35
NET INCOME $	194,580 $	415,309 $	236,157 $	287,624 $	267,190	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	1,923,388 $	1,536,330 $	1,325,989 $	1,061,729 $	819,968	37
BALANCE TRANSFERRED FROM INCOME	194,580	415,309	236,157	287,624	267,190	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	2,288	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	4,805	5,251	5,816	6,364	7,141	42
-COMMON STOCK	24,000	23,000	20,000	17,000	16,000	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,089,163	1,923,388	1,536,330	1,325,989	1,061,729	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR $	2,089,163 $	1,923,388 $	1,536,330 $	1,325,989 $	1,061,729	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	52.3	47.6	52.8	46.9	43.9	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	10.9	10.2	11.5	12.4	14.8	49
TOTAL INCOME TAXES-OPERATING	9.7	11.2	6.8	6.8	4.3	50
OTHER TAXES-OPERATING	10.2	8.7	10.7	10.4	11.3	51
TOTAL OPERATING EXPENSES	83.1	77.7	82.0	76.7	74.4	52
OPERATING INCOME	16.8	22.2	17.9	23.2	25.5	53
INTEREST EXPENSE PRETAX COVERAGE	3.4	4.7	3.0	3.2	2.7	54
NET INCOME-PERCENT OF OPERATING REVENUES	7.8	15.6	10.4	14.0	15.3	55
DIVIDEND APPROPRIATIONS, COMMON STOCK PERCENT OF EARNINGS AVAILABLE	12.6	5.6	8.6	6.0	6.1	56
PERCENT OF AVERAGE COMMON EQUITY EARNINGS AVAILABLE FOR COMMON STOCK	9.0	22.4	15.0	21.7	24.9	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

MIDDLEBURGH TELEPHONE COMPANY, THE

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 208,301	$ 405,148	$ 231,419	$ 285,153	$ 268,804
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	272,471	271,010	261,459	301,360	259,474
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	74,534	176,717	147,726	131,755	56,203
4	INTEREST CAPITALIZED	12,071-	5,209-	10,064-	4,928-	5,408-
5	OTHER (NET)	11,387	6,209	2,406	-	-
6						
7	TOTAL, INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	554,622	853,875	632,946	713,340	579,073
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	13,721-	10,161	4,738	2,471	1,614-
9	TOTAL FUNDS FROM INTERNAL SOURCES	540,901	864,036	637,684	715,811	577,459
10	LESS DIVIDENDS PREFERRED	4,805	5,251	5,816	6,364	7,141
11	COMMON	24,000	23,000	20,000	17,000	16,000
12	NET FUNDS FROM INTERNAL SOURCES	512,096	835,785	611,868	692,447	554,318
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	-
20	OTHER SOURCES (NET)	278,214	169,838	112,248	34,301	173,814
21						
22						
23	TOTAL FUNDS PROVIDED	$ 790,310	$ 1,005,623	$ 724,116	$ 726,748	$ 728,132
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 625,989	$ 535,568	$ 461,690	$ 443,837	$ 566,230
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	625,989	535,568	461,690	443,837	566,230
28	LESS INTEREST CAPITALIZED	12,071	5,209	10,064	4,928	5,408
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	613,918	530,359	451,626	438,909	560,822
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	73,744	70,156	66,496	61,545	57,355
31	PREFERRED STOCK	-	11,900	11,100	10,900	17,100
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	73,744	82,056	77,596	72,445	74,455
37	OTHER USES (NET)	102,648	393,208	194,894	215,394	92,855
38						
39						
40	TOTAL FUNDS APPLIED	$ 790,310	$ 1,005,623	$ 724,116	$ 726,748	$ 728,132

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

MIDDLEBURGH TELEPHONE COMPANY, THE

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 720,071	$ 728,144	$ 724,924	$ 692,842	$ 686,973	1
ACCESS REVENUES	687,348	680,705				2
TOLL REVENUES	945,161	1,120,843	1,506,928	1,314,006	1,025,013	3
MISCELLANEOUS REVENUES	163,570	143,737	46,641	46,533	38,045	4
UNCOLLECTIBLE REVENUES-DR	22,500	22,200	11,700	6,900	7,918	5
TOTAL TELEPHONE OPERATING REVENUE	$ 2,493,650	$ 2,651,229	$ 2,266,793	$ 2,046,481	$ 1,742,113	6
TELEPHONE ACCESS LINES IN SERVICE	6,075	4,328	4,260	4,147	4,071	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 138.44	$ 169.57	$ 172.46	$ 168.62	$ 170.85	8
ACCESS REVENUE	132.14	161.94				9
TOLL REVENUE	181.71	261.03	358.49	319.79	254.91	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 516,690	$ 541,343	$ 486,525	$ 421,821	$ 312,409	11
DEPRECIATION + AMORTIZATION EXPENSES	272,118	270,657	261,105	254,997	259,333	12
TRAFFIC EXPENSES	68,512	66,061	95,397	30,761	21,188	13
COMMERCIAL EXPENSES	113,810	79,001	136,229	91,452	67,639	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	296,490	276,938	246,258	247,384	191,156	16
OTHER OPERATING EXPENSES	308,800	298,693	234,342	170,158	173,385	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,576,420	$ 1,532,693	$ 1,459,856	$ 1,216,553	$ 1,025,110	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 7,601,432	$ 7,319,897	$ 7,132,662	$ 6,717,609	$ 6,510,456	19
PLANT UNDER CONSTRUCTION	192,859	75,827	103,622	210,508	87,613	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	50-	50-	50-	50-	50-	23
TOTAL TELEPHONE UTILITY PLANT	7,794,241	7,395,674	7,236,234	6,928,067	6,598,019	24
ACCUMULATED PROVISION FOR DEPR+AMORT	2,507,717	2,216,329	2,180,180	1,983,694	1,779,956	25
NET TELEPHONE PLANT	$ 5,286,524	$ 5,179,345	$ 5,056,054	$ 4,944,373	$ 4,818,063	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 7,319,897	$ 7,132,664	$ 6,717,609	$ 6,510,456	$ 6,159,510	27
ADDITIONS	508,957	563,362	568,576	320,942	549,791	28
RETIREMENTS	227,422	376,129	153,523	113,789	198,845	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 7,601,432	$ 7,319,897	$ 7,132,662	$ 6,717,609	$ 6,510,456	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

MIDDLEBURGH TELEPHONE COMPANY, THE

LINE NO.	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 2,493,850	$ 2,651,229	$ 2,286,793	$ 2,046,481	$ 1,742,113
2	ACCESS LINES (AVERAGE*)	5,202	4,294	4,204	4,109	4,021
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 564,039	$ 811,861	$ 706,633	$ 585,881	$ 447,136
4	OTHER OPERATION AND MAINTENANCE EXPENSES	740,263	450,175	492,128	375,675	318,641
5	DEPRECIATION AND AMORTIZATION EXPENSES	272,118	270,657	261,106	254,997	259,333
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	241,924	297,625	154,983	139,438	74,938
8	OTHER TAXES - OPERATING	255,349	232,067	244,805	214,196	196,902
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	178,762	185,979	185,353	193,104	195,524
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	4,667	5,204	5,675	6,300	7,054
11	EARNINGS AVAILABLE FOR COMMON EQUITY	236,528	397,661	216,111	276,890	242,585
12	TOTAL	$ 2,493,850	$ 2,651,229	$ 2,286,793	$ 2,046,481	$ 1,742,113
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	22.6	30.6	31.2	28.6	25.7
14	OTHER OPERATION AND MAINTENANCE EXPENSES	29.7	17.0	21.7	18.4	18.3
15	DEPRECIATION AND AMORTIZATION EXPENSES	10.9	10.2	11.5	12.5	14.9
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	9.7	11.2	6.8	6.8	4.3
18	OTHER TAXES - OPERATING	10.2	8.8	10.8	10.5	11.3
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.2	7.0	8.2	9.4	11.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.2	0.2	0.3	0.3	0.4
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.5	15.0	9.5	13.5	13.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 9.04	$ 15.76	$ 14.01	$ 11.88	$ 9.27
24	OTHER OPERATION AND MAINTENANCE EXPENSES	11.86	8.74	9.76	7.62	6.60
25	DEPRECIATION AND AMORTIZATION EXPENSES	4.36	5.25	5.18	5.17	5.37
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	3.88	5.78	3.07	2.83	1.55
28	OTHER TAXES - OPERATING	4.09	4.50	4.85	4.34	4.08
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.86	3.61	3.67	3.92	4.05
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.07	0.10	0.11	0.13	0.15
31	EARNINGS AVAILABLE FOR COMMON EQUITY	3.79	7.72	4.28	5.62	5.03
32	TOTAL	$ 39.95	$ 51.45	$ 44.94	$ 41.50	$ 36.10

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

NEWPORT TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 5,049,096	$ 4,317,171	$ 4,068,625	$ 3,976,804	$ 3,860,678
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,931,596	1,704,495	1,462,086	1,265,861	1,075,169
3	NET TELEPHONE PLANT	3,117,500	2,612,676	2,606,539	2,710,943	2,785,509
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	60,848	40,722	35,207	26,944	12,440
7	OTHER INVESTMENTS AND FUNDS	96,100	74,000	69,000	69,000	69,000
8	TOTAL INVESTMENTS AND FUNDS	156,948	114,722	104,207	95,944	81,440
9	CASH AND WORKING FUNDS	10,643	2,906	6,795	6,219	5,276
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	47,777	55,489	19,808	2,340	34,383
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	154,777	149,912	52,683	72,252	26,728
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	108,953	114,777	103,746	97,929	79,076
15	MATERIALS AND SUPPLIES*	187,335	134,560	93,251	79,295	69,549
16	PREPAYMENTS	32,806	37,185	34,111	34,010	34,467
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	542,291	494,829	310,394	292,045	249,479
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	16,919	17,705	18,492	19,279	20,066
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	5,794	1,932	3,223	1,751	3,725
23	TOTAL DEFERRED DEBITS	22,713	19,637	21,715	21,030	23,791
24	TOTAL ASSETS AND OTHER DEBITS	3,839,452	$ 3,241,864	$ 3,042,855	$ 3,119,962	$ 3,140,219
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 148,150	$ 148,150	$ 148,150	$ 166,600	$ 185,000
26	PREFERRED CAPITAL STOCK	110,000	110,000	110,000	110,000	110,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	643,985	507,112	429,112	389,239	442,912
34	TOTAL PROPRIETARY CAPITAL	902,135	765,262	687,262	665,839	737,912
35	BONDS(LESS BONDS REACQUIRED)	1,714,547	1,770,443	1,851,909	1,935,811	2,012,268
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	1,714,547	1,770,443	1,851,909	1,935,811	2,012,268
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	779,005	298,436	155,585	213,115	114,919
41	CUSTOMERS' DEPOSITS	2,700	2,375	3,000	3,115	2,115
42	ADVANCE BILLING AND PAYMENTS	12,784	11,926	10,960	7,937	7,169
43	TAXES ACCRUED	14,390	4,867	659	428	1,699-
44	OTHER CURRENT AND ACCRUED LIABILITIES	15,319	24,808	14,889	14,160	12,102
45	TOTAL CURRENT AND ACCRUED LIABILITIES	824,198	342,412	185,093	238,755	134,606
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	118,113	50,842	37,709	39,542	42,248
48	OTHER DEFERRED CREDITS	20,525	14,465	9,510	5,936	4,054
49	TOTAL DEFERRED CREDITS	138,638	65,307	47,219	45,478	46,302
50	OPERATING RESERVES	120,332	129,948	90,471	53,577	19,096
51	ACCUMULATED DEFERRED INCOME TAXES	139,602	168,492	180,901	180,502	190,035
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,839,452	$ 3,241,864	$ 3,042,855	$ 3,119,962	$ 3,140,219
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	0.66	1.45	1.68	1.22	1.85
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	65.5	69.8	72.9	74.4	73.1
55	PREFERRED STOCK	4.2	4.3	4.3	4.2	3.9
56	COMMON STOCK+OTHER PAID-IN CAPITAL	5.6	5.8	5.8	6.4	6.7
57	RETAINED EARNINGS	24.6	19.9	16.8	14.9	16.1
	LONG-TERM DEBT:					
58	PERCENT OF GROSS TELEPHONE PLANT	33.9	41.0	45.5	48.6	52.1
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	38.2	39.4	35.9	31.8	27.8

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

NEWPORT TELEPHONE COMPANY, INC

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,563,897	$ 1,477,034	$ 1,346,454	$ 1,106,309	$ 1,046,672	1
OPERATION AND MAINTENANCE EXPENSE	833,149	807,605	797,064	673,454	603,547	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	241,161	248,941	192,724	188,411	182,321	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	187,581	178,836	180,316	164,516	146,472	6
INCOME TAXES-OPERATING	100,978	18,093	1,794	2,706-	19,888-	7
OPERATING INCOME TAXES DEFERRED	27,848-	9,046	8,771	7,526	31,977	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	1,042-	16,335-	8,372-	17,059-	19,787-	9
TOTAL OPERATING EXPENSES	1,333,979	1,246,186	1,172,297	1,014,152	924,642	10
TOTAL TELEPHONE OPERATING INCOME	229,918	230,848	174,157	92,157	122,030	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	3,387	1,736	468	1,358	3,963	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	2,264	1,837	377	222	542-	16
MISCELLANEOUS INCOME	2,106	54,439-	26,246-	32,529-	5,325-	17
TOTAL OTHER INCOME	7,757	50,866-	25,401-	30,949-	1,904-	18
TOTAL INCOME	237,675	179,982	148,756	61,208	120,126	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	354	535	812	2,656	605	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	1,629	1,264	706	421	319	22
TOTAL INCOME DEDUCTIONS	1,983	1,799	1,518	3,077	924	23
INCOME BEFORE INTEREST CHARGES	235,692	178,183	147,238	58,131	119,202	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	57,627	61,773	68,306	75,757	85,467	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	787	787	787	787	787	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	17,153	17,493	18,353	14,236	13,728	29
TOTAL INTEREST CHARGES	75,567	80,053	87,446	90,780	99,982	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	160,125	98,130	59,792	32,649-	19,220	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 160,125	$ 98,130	$ 59,792	$ 32,649-	$ 19,220	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 507,112	$ 429,112	$ 389,239	$ 442,912	$ 452,180	37
BALANCE TRANSFERRED FROM INCOME	160,125	98,130	59,792	32,649-	19,220	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	2,288	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	6,600	6,600	6,600	6,600	6,600	42
-COMMON STOCK	16,652	13,530	13,319	14,424	19,600	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	643,985	507,112	429,112	389,239	442,912	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 643,985	$ 507,112	$ 429,112	$ 389,239	$ 442,912	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	53.2	54.6	59.1	60.8	57.6	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	15.4	16.8	14.3	17.0	17.4	49
TOTAL INCOME TAXES-OPERATING	4.6	0.7	0.2	1.0-	0.6-	50
OTHER TAXES-OPERATING	11.9	12.1	13.3	14.8	13.9	51
TOTAL OPERATING EXPENSES	85.2	84.3	87.0	91.6	88.3	52
OPERATING INCOME	14.7	15.6	12.9	8.3	11.6	53
INTEREST EXPENSE PRETAX COVERAGE	3.9	2.3	1.7	0.6	1.1	54
NET INCOME-PERCENT OF OPERATING REVENUES	10.2	6.6	4.4	2.8-	1.8	55
DIVIDEND APPROPRIATIONS, COMMON STOCK PERCENT OF EARNINGS AVAILABLE	10.8	14.7	25.0	36.6-	155.3	56
PERCENT OF AVERAGE COMMON EQUITY EARNINGS AVAILABLE FOR COMMON STOCK	21.2	14.8	9.3	6.5-	1.9	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEWPORT TELEPHONE COMPANY, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 160,125	$ 98,130	$ 59,792	$ 32,649-	$ 19,220
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	241,948	249,728	193,511	189,198	183,444
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	38,381	724	1,434-	12,239-	5,895-
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET):	12,309	8,869	1,754	1,848	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	452,763	357,451	253,623	146,158	196,769
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	452,763	357,451	253,623	146,158	196,769
10	LESS DIVIDENDS: PREFERRED	6,600	6,600	6,600	6,600	6,600
11	COMMON	16,652	13,530	13,319	14,424	19,600
12	NET FUNDS FROM INTERNAL SOURCES	429,511	337,321	233,704	125,134	170,569
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	446,563	97,120	-	23,330	24,031
17	OTHER (NET):	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	446,563	97,120	-	23,330	24,031
20	OTHER SOURCES (NET)	31,493	66,322	58,096	95,860	61,490
21						
22						
23	TOTAL FUNDS PROVIDED	$ 907,567	$ 500,763	$ 291,800	$ 244,324	$ 256,090
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 783,211	$ 285,837	$ 115,965	$ 149,468	$ 172,545
25	NON-UTILITY PLANT	20,126	-	-	-	-
26	OTHER	-	5,515	-	-	-
27	TOTAL GROSS ADDITIONS	803,337	291,352	115,965	149,468	172,545
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	803,337	291,352	115,965	149,468	172,545
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	55,896	81,466	83,902	76,456	66,752
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	18,450	18,400	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	9,978	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	55,896	81,466	112,330	94,856	66,752
37	OTHER USES (NET)	48,334	127,945	63,505	-	16,793
38						
39						
40	TOTAL FUNDS APPLIED	$ 907,567	$ 500,763	$ 291,800	$ 244,324	$ 256,090

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT.

YEARS ENDING DECEMBER 31

NEWPORT TELEPHONE COMPANY, INC

TELEPHONE OPERATING REVENUES

ITEM	1986	1985	1984	1983	1982	LINE NO
OPERATING REVENUES						
LOCAL REVENUES	$ 566,040	$ 522,517	$ 473,635	$ 371,732	$ 341,521	1
ACCESS REVENUES	207,393	197,097				2
TOLL REVENUES	724,172	686,844	848,954	713,419	686,158	3
MISCELLANEOUS REVENUES	82,429	79,463	30,921	24,587	25,205	4
UNCOLLECTIBLE REVENUES-DR	16,137	8,888	7,056	3,429	6,212	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,563,897	$ 1,477,033	$ 1,346,454	$ 1,106,309	$ 1,046,672	6
TELEPHONE ACCESS LINES IN SERVICE	2,576	2,525	2,454	2,375	2,238	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 221.93	$ 209.89	$ 196.16	$ 161.17	$ 152.84	8
ACCESS REVENUE	81.31	81.63				9
TOLL REVENUE	283.93	275.90	351.61	309.31	307.07	10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM	1986	1985	1984	1983	1982	LINE NO
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 277,509	$ 247,972	$ 262,765	$ 247,671	$ 236,936	11
DEPRECIATION + AMORTIZATION EXPENSES	241,161	248,941	192,724	188,411	182,321	12
TRAFFIC EXPENSES	51,709	35,851	39,375	9,168	8,822	13
COMMERCIAL EXPENSES	80,752	69,692	61,952	51,468	45,112	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	289,006	306,680	285,306	225,789	219,589	16
OTHER OPERATING EXPENSES	134,173	147,410	147,666	139,369	93,088	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,074,310	$ 1,056,546	$ 989,788	$ 861,875	$ 785,868	18

TELEPHONE UTILITY PLANT

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 4,402,255	$ 4,242,513	$ 4,016,410	$ 3,924,131	$ 3,858,667	19
PLANT UNDER CONSTRUCTION	646,841	74,658	52,215	52,673	2,011	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	5,049,096	4,317,171	4,068,625	3,976,804	3,860,678	24
ACCUMULATED PROVISION FOR DEPR+AMORT	1,931,596	1,704,495	1,462,086	1,265,861	1,075,169	25
NET TELEPHONE PLANT	$ 3,117,500	$ 2,612,676	$ 2,606,539	$ 2,710,943	$ 2,785,509	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 4,242,513	$ 4,016,410	$ 3,924,131	$ 3,858,667	$ 3,759,425	27
ADDITIONS	211,028	263,394	108,160	84,302	177,942	28
RETIREMENTS	51,286	37,291	15,881	18,838	78,700	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 4,402,255	$ 4,242,513	$ 4,016,410	$ 3,924,131	$ 3,858,667	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

NEWPORT TELEPHONE COMPANY, INC.

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 1,563,897	$ 1,477,034	$ 1,346,454	$ 1,106,309	$ 1,046,672
2	ACCESS LINES (AVERAGE*)	2,551	2,490	2,415	2,307	2,235
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 379,401	$ 421,896	$ 395,499	$ 366,363	$ 314,035
4	OTHER OPERATION AND MAINTENANCE EXPENSES	453,748	385,709	401,565	307,101	289,512
5	DEPRECIATION AND AMORTIZATION EXPENSES	241,161	248,941	192,724	188,411	182,321
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	72,088	10,804	2,193	12,239-	7,698-
8	OTHER TAXES - OPERATING	187,581	178,836	180,316	164,516	146,472
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	75,567	80,053	87,446	90,780	99,982
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	6,600	6,600	6,600	6,600	6,600
11	EARNINGS AVAILABLE FOR COMMON EQUITY	147,751	144,195	80,111	5,223-	15,448
12	TOTAL	$ 1,563,897	$ 1,477,034	$ 1,346,454	$ 1,106,309	$ 1,046,672
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	24.3	28.6	29.4	33.1	30.0
14	OTHER OPERATION AND MAINTENANCE EXPENSES	29.0	26.1	29.8	27.8	27.7
15	DEPRECIATION AND AMORTIZATION EXPENSES	15.4	16.9	14.3	17.0	17.4
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	4.6	0.7	0.2	1.0-	0.6-
18	OTHER TAXES - OPERATING	12.0	12.1	13.4	14.9	14.0
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.8	5.4	6.5	8.2	9.6
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.4	0.5	0.6	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.4	9.8	5.9	0.4-	1.5
22	TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER AVERAGE ACCESS LINE PER MONTH			
23	WAGES AND BENEFITS	$ 12.40	$ 14.12	$ 13.65	$ 13.24	$ 11.71
24	OTHER OPERATION AND MAINTENANCE EXPENSES	14.83	12.91	13.86	11.10	10.80
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.88	8.33	6.65	6.81	6.80
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.36	0.36	0.08	0.43-	0.28-
28	OTHER TAXES - OPERATING	6.13	5.99	6.22	5.94	5.46
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.47	2.68	3.02	3.28	3.73
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.22	0.22	0.23	0.24	0.25
31	EARNINGS AVAILABLE FOR COMMON EQUITY	4.83	4.83	2.76	0.18-	0.58
32	TOTAL	$ 51.10	$ 49.44	$ 46.47	$ 39.97	$ 39.03

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

NEW YORK TELEPHONE COMPANY

LINE NO.	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 15,966,745,998	$ 15,188,458,739	$ 14,317,938,922	$ 15,155,500,357	$ 14,515,022,572
2	ACCUMULATED PROVISION FOR DEPR+AMORT	4,478,712,894	4,052,800,147	3,582,356,608	3,295,550,086	3,027,892,452
3	NET TELEPHONE PLANT	11,488,033,104	11,135,658,592	10,735,582,314	11,859,950,271	11,487,130,120
4	INVESTMENTS IN AFFILIATED COMPANIES	151,062,973	81,838,045	62,556,733	62,522,126	65,484,360
5	ADVANCES TO AFFILIATED COMPANIES	29,211	162	-	-	43,070
6	MISCELLANEOUS PHYSICAL PROPERTY	14,460,359	14,647,294	20,011,898	10,339,353	9,920,927
7	OTHER INVESTMENTS AND FUNDS	2,298,902	2,507,394	2,867,750	3,202,724	4,780,611
8	TOTAL INVESTMENTS AND FUNDS	167,851,445	98,992,895	85,436,381	76,064,203	80,228,968
9	CASH AND WORKING FUNDS	68,660,735	69,466,536	92,349,564	57,972,093	61,753,479
10	SPECIAL CASH DEPOSITS	1,781,855	22,732,792	22,957,860	29,512,522	8,168,115
11	TEMPORARY CASH INVESTMENTS	40,355,603	6,275,570	3,026,639	9,781,523	54,853,716
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	19,698,685	12,683,641	28,260,871	43,250,104	14,357,033
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	56,417,725	285,036,020	313,806,568	33,807,194	35,395,796
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	1,312,040,245	1,075,972,710	924,813,540	1,044,219,323	1,006,338,503
15	MATERIALS AND SUPPLIES*	84,836,272	63,775,467	48,646,242	58,649,275	57,907,859
16	PREPAYMENTS	22,088,112	21,991,797	29,005,193	108,863,640	101,139,453
17	OTHER CURRENT AND ACCRUED ASSETS	1,024,065	3,780,895	874,940	937,830	1,143,963
18	TOTAL CURRENT AND ACCRUED ASSETS	1,606,903,277	1,561,715,427	1,463,741,517	1,396,993,504	1,341,057,917
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	207,414,922	79,910,452	82,877,631	40,723,819	34,587,600
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	505,657,620	503,049,099	381,020,439	288,000,239	157,782,997
23	TOTAL DEFERRED DEBITS	713,072,542	582,959,551	463,898,070	328,724,058	192,370,597
24	TOTAL ASSETS AND OTHER DEBITS	13,975,860,368	$ 13,379,326,465	$ 12,748,658,282	$ 13,661,732,036	$ 13,100,787,602
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 3,953,533,290	$ 3,953,533,290	$ 3,924,189,409	$ 4,475,167,652	$ 4,464,235,753
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	1,367,965,859	1,090,875,222	988,634,178	1,010,164,453	1,004,584,534
34	TOTAL PROPRIETARY CAPITAL	5,321,499,149	5,044,408,512	4,912,823,587	5,485,332,106	5,468,820,287
35	BONDS (LESS BONDS REACQUIRED)	3,824,846,000	3,681,569,000	3,782,007,000	3,752,000,000	3,602,000,000
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	413,800,021	183,101,531
37	OTHER LONG-TERM DEBT	19,791,729	21,240,728	21,618,666	3,802,643	3,862,717
38	TOTAL LONG-TERM DEBT	3,844,637,729	3,702,809,728	3,803,625,666	4,169,602,664	3,788,964,248
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	285,904,113	209,436,405	131,396,069	132,601,297	118,123,892
40	OTHER NOTES AND ACCOUNTS PAYABLE	797,034,722	945,155,540	763,263,005	669,320,982	825,482,617
41	CUSTOMERS DEPOSITS	41,985,515	42,865,542	62,002,430	63,273,163	59,528,069
42	ADVANCE BILLING AND PAYMENTS	117,251,916	110,158,570	106,072,329	133,600,028	164,546,294
43	TAXES ACCRUED	235,403,524	184,789,717	212,036,669	80,668,305	112,728,607
44	OTHER CURRENT AND ACCRUED LIABILITIES	257,257,215	251,060,856	102,057,401	118,231,965	108,330,713
45	TOTAL CURRENT AND ACCRUED LIABILITIES	1,734,837,005	1,743,466,630	1,376,827,903	1,197,695,740	1,388,740,192
46	UNAMORTIZED PREMIUM ON DEBT	1,426,324	1,533,754	1,641,184	1,748,614	1,856,044
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	567,557,079	569,073,907	547,931,187	614,079,370	576,713,180
48	OTHER DEFERRED CREDITS	53,576,739	58,126,927	65,233,205	102,692,680	58,106,425
49	TOTAL DEFERRED CREDITS	622,560,142	628,733,588	614,805,576	718,520,664	636,675,649
50	OPERATING RESERVES	8,552,272	10,327,225	6,573,862	11,028,698	10,518,326
51	ACCUMULATED DEFERRED INCOME TAXES	2,443,774,071	2,249,580,782	2,034,001,678	2,079,862,166	1,807,078,900
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 13,975,860,368	$ 13,379,326,465	$ 12,748,658,282	$ 13,661,732,036	$ 13,100,787,602
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	0.93	0.90	1.06	1.17	0.97
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	41.9	42.3	43.6	43.1	40.9
55	PREFERRED STOCK	-	-	-	-	-
56	COMMON STOCK+OTHER PAID-IN CAPITAL	43.1	45.1	45.0	46.3	48.2
57	RETAINED EARNINGS	14.9	12.4	11.3	10.4	10.8
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	24.0	24.3	26.5	27.5	26.1
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	28.0	26.6	25.0	21.7	20.8

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

STARTING WITH THE YEAR 1983 CERTAIN OPENING BALANCES DIFFER FROM THE CORRESPONDING CLOSING BALANCES OF THE PRIOR YEAR. THIS IS DUE PRIMARILY TO THE TRANSFER OF ASSETS TO AT&T INFORMATION SYSTEMS AND AT&T COMMUNICATIONS AS A RESULT OF THE DIVESTITURE AGREEMENT

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

NEW YORK TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 7,102,796,437	$ 6,633,947,992	$ 6,399,085,634	$ 7,052,122,204	$ 6,704,040,078	1
OPERATION AND MAINTENANCE EXPENSE	3,567,093,602	3,427,884,066	3,312,183,329	3,756,701,479	3,701,041,719	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	971,769,219	880,846,537	781,896,131	836,257,220	768,122,598	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	890,179,952	843,377,922	951,457,983	1,001,662,561	850,744,263	6
INCOME TAXES-OPERATING	225,848,301	241,755,477	95,201,150	108,371,053	106,957,789	7
OPERATING INCOME TAXES DEFERRED	393,308,625	382,256,191	370,098,733	365,236,400	330,145,569	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	107,436,328-	74,026,132-	63,941,427-	39,155,337-	22,790,652-	9
TOTAL OPERATING EXPENSES	5,940,763,373	5,651,794,061	5,446,896,899	6,029,073,376	5,734,221,286	10
TOTAL TELEPHONE OPERATING INCOME	1,162,032,064	982,153,931	952,189,735	1,023,048,828	969,818,792	11
OTHER INCOME						
DIVIDEND INCOME	14,910,667	11,083,183	7,200,000	7,200,000	7,200,000	12
INTEREST INCOME	15,916,833	8,528,124	10,646,370	15,779,315	16,635,429	13
ALLOWANCE FOR CONSTRUCTION FUNDS	43,612,892	46,128,789	42,546,685	40,295,324	42,882,288	14
INCOME FROM SINKING AND OTHER FUNDS	60,818	60,818	60,818	58,223	45,739	15
INCOME FROM MISC PHYSICAL PROPERTY	94,575	536,898-	2,077,109	713,487-	1,228,257-	16
MISCELLANEOUS INCOME	7,888,981	3,088,485	21,683,808	374,618-	2,286,696	17
TOTAL OTHER INCOME	82,484,766	70,352,681	84,214,788	62,244,757	67,821,895	18
TOTAL INCOME	1,244,516,830	1,052,506,612	1,036,404,523	1,085,293,585	1,037,640,687	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC TAXES-NONOPERATING	134,989	861,580	2,764,932	1,993,100	3,047,341	20
INCOME TAXES-NONOPERATING	3,759,606	2,298,032	11,772,324	1,048,632	1,910,526	21
MISCELLANEOUS INCOME CHARGES	14,134,779	10,135,185	8,829,636	11,569,142	10,029,706	22
TOTAL INCOME DEDUCTIONS	18,029,373	13,294,797	23,366,892	14,610,874	14,987,573	23
INCOME BEFORE INTEREST CHARGES	1,226,487,457	1,039,211,815	1,013,037,631	1,070,682,711	1,022,653,114	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	304,923,881	314,107,599	324,386,852	315,450,944	306,993,479	25
AMORT OF DEBT DISCOUNT AND EXPENSE	4,978,122	2,390,930	1,472,169	1,325,614	1,214,161	26
AMORT OF PREMIUM ON DEBT-CREDIT	107,430-	107,430-	107,430-	107,430-	141,746-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	25,669,717	32,326,718	34,177,493	88,599,285	82,994,428	29
TOTAL INTEREST CHARGES	335,464,300	348,717,817	359,929,084	405,268,413	391,060,322	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	891,023,157	690,493,998	653,108,547	665,414,298	631,592,792	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	2,242,376	2,312,884	3,639,761	1,054,254	1,310,348	32
EXTRAORDINARY/DELAYED INCOME CHARGES	475,562-	2,414,769-	7,715,316-	37,663,660-	177,279-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	864,935	2,920,474-	11,475,637-	7,082,910-	567,152	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	901,889	2,818,509	7,400,082	29,526,496-	565,917	35
NET INCOME	$ 891,925,046	$ 693,312,567	$ 660,508,629	$ 635,887,802	$ 632,158,709	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 1,091,316,813	$ 988,634,178	$ 889,917,549	$ 999,816,538	$ 948,425,825	37
BALANCE TRANSFERRED FROM INCOME	891,925,046	693,312,567	660,508,629	635,887,802	632,158,709	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	3,767,523	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	615,276,000	587,304,000	561,792,000	625,539,887	576,000,000	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	1,367,965,859	1,090,875,222	988,634,178	1,010,164,453	1,004,584,534	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 1,367,965,859	$ 1,090,875,222	$ 988,634,178	$ 1,010,164,453	$ 1,004,584,534	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	50.2	51.8	51.7	53.2	55.2	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	13.6	12.8	12.2	11.8	11.4	49
TOTAL INCOME TAXES-OPERATING	7.2	8.0	6.3	6.2	6.2	50
OTHER TAXES-OPERATING	12.5	12.7	14.8	14.2	12.6	51
TOTAL OPERATING EXPENSES	83.6	85.1	85.1	85.4	85.5	52
OPERATING INCOME	16.3	14.8	14.8	14.5	14.4	53
INTEREST EXPENSE						
PRETAX COVERAGE	5.2	4.5	4.0	3.7	3.7	54
NET INCOME-PERCENT OF OPERATING REVENUES	12.5	10.4	10.3	9.0	9.4	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	68.9	84.7	85.0	98.3	91.1	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	17.2*	13.9	12.7	11.6	11.8	57

*THE RETURN SHOWN REFLECTS NYT'S INTERSTATE, AS WELL AS INTRASTATE, OPERATIONS. IN ADDITION, THE RETURNS DIFFER FROM THE COMPANY'S PUBLISHED STATEMENTS BECAUSE CERTAIN TAX DEDUCTIONS RELATED TO 1984 AND 1985 WERE REFLECTED IN THE PSC REPORT IN 1986, INCREASING THE REPORTED 1986 RETURN ON COMMON EQUITY FROM 16.0% TO 17.2%.

STARTING WITH THE YEAR 1983 CERTAIN OPENING BALANCES DIFFER FROM THE CORRESPONDING CLOSING BALANCES OF THE PRIOR YEAR. THIS IS DUE PRIMARILY TO THE TRANSFER OF ASSETS TO AT&T INFORMATION SYSTEMS AND AT&T COMMUNICATIONS AS A RESULT OF THE DIVESTITURE AGREEMENT

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEW YORK TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 891,023,157	$ 690,493,998	$ 663,108,547	$ 665,414,298	$ 631,592,792
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	976,639,911	852,830,037	783,260,870	837,475,404	789,982,020
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	192,676,461	236,721,824	261,030,272	311,293,525	320,600,706
4	INTEREST CAPITALIZED	43,612,892-	48,128,789-	42,546,685-	40,295,324-	42,882,288-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	2,016,726,637	1,731,917,070	1,654,853,004	1,773,887,903	1,699,293,230
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	901,889	2,818,569	7,400,084	29,526,496-	565,917
9	TOTAL FUNDS FROM INTERNAL SOURCES	2,017,628,526	1,734,735,639	1,662,253,088	1,744,361,407	1,699,859,147
10	LESS DIVIDENDS PREFERRED	-	-	-	-	-
11	COMMON	615,276,000	587,304,000	561,792,000	625,539,887	576,000,000
12	NET FUNDS FROM INTERNAL SOURCES	1,402,352,526	1,147,431,639	1,100,461,088	1,118,821,520	1,123,859,147
	EXTERNAL SOURCES					
13	LONG TERM DEBT	141,828,001	-	47,822,992	380,648,416	83,963,586
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	29,343,881	56,000,692	10,931,899	210,237,316
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	207,982,000
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	141,828,001	29,343,881	103,823,684	391,580,315	502,182,902
20	OTHER SOURCES (NET)	441,591	281,883,898	275,737,011	100,340,866	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,544,622,118	$ 1,458,659,418	$ 1,480,021,781	$ 1,610,742,701	$ 1,626,042,049
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 1,330,807,905	$ 1,261,096,620	$ 1,187,298,901	$ 1,241,130,230	$ 1,347,515,135
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	1,330,807,905	1,261,096,620	1,187,298,901	1,241,130,230	1,347,515,135
28	LESS INTEREST CAPITALIZED	43,612,892	48,128,789	42,546,685	40,295,324	42,882,288
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,287,195,013	1,212,967,831	1,144,752,216	1,200,834,906	1,304,632,847
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	100,815,928	-	-	126,114,596
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	24,000,000	228,882,000	339,594,000	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	124,815,928	228,883,000	339,594,000	126,114,596
37	OTHER USES (NET)	257,427,105	120,875,659	106,386,565	70,313,795	195,294,606
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,544,622,118	$ 1,458,659,418	$ 1,480,021,781	$ 1,610,742,701	$ 1,626,042,049

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

NEW YORK TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 4,365,277,245	$ 4,074,886,050	$ 3,822,505,176	$ 4,081,785,998	$ 3,931,369,038	1
ACCESS REVENUES	2,022,043,988	1,696,874,464				2
TOLL REVENUES	400,101,457	484,646,319	601,385,696	2,842,237,148	2,649,148,592	3
MISCELLANEOUS REVENUES	371,172,875	417,751,182	2,018,068,596	215,393,693	190,805,680	4
UNCOLLECTIBLE REVENUES-DR	55,800,128	40,210,023	42,873,834	87,294,635	67,283,232	5
TOTAL TELEPHONE OPERATING REVENUE	$ 7,102,795,437	$ 6,633,947,992	$ 6,399,085,634	$ 7,052,122,204	$ 6,704,040,078	6
TELEPHONE ACCESS LINES IN SERVICE	8,987,092	8,819,528	8,506,632	8,357,628	8,211,122	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 490.30	$ 470.37	$ 453.33	$ 492.71	$ 478.82	8
ACCESS REVENUE	227.11	201.24				9
TOLL REVENUE	44.94	55.94	71.32	343.08	322.65	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 1,520,145,917	$ 1,467,386,606	$ 1,439,681,316	$ 1,667,171,946	$ 1,562,500,525	11
DEPRECIATION + AMORTIZATION EXPENSES	971,769,219	850,546,537	781,896,131	836,257,220	768,122,598	12
TRAFFIC EXPENSES	215,049,505	200,369,961	202,941,427	275,629,707	295,805,342	13
COMMERCIAL EXPENSES	537,911,861	494,638,904	553,874,304	665,738,046	714,521,275	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	497,906,768	439,781,784	408,719,950	440,401,761	394,776,011	16
OTHER OPERATING EXPENSES	796,079,551	825,726,821	706,966,332	707,760,019	733,438,566	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 4,538,862,821	$ 4,278,430,603	$ 4,094,079,460	$ 4,592,958,699	$ 4,469,164,317	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 15,485,804,765	$ 14,719,715,570	$ 13,841,107,927	$ 14,744,350,597	$ 14,071,901,952	19
PLANT UNDER CONSTRUCTION	480,822,219	468,373,324	474,966,589	410,502,315	443,088,844	20
PROPERTY HELD FOR FUTURE USE	119,014	369,845	1,864,406	647,445	31,776	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	15,966,745,998	15,188,458,739	14,317,938,922	15,155,500,357	14,515,022,572	24
ACCUMULATED PROVISION FOR DEPR+AMORT	4,478,712,894	4,052,800,147	3,582,356,608	3,295,550,086	3,027,892,452	25
NET TELEPHONE PLANT	$ 11,488,033,104	$ 11,135,658,592	$ 10,735,582,314	$ 11,859,950,271	$ 11,487,130,120	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 14,719,715,570	$ 13,841,107,927	$ 12,947,130,895	$ 14,062,711,803	$ 13,191,498,424	27
ADDITIONS	1,335,579,784	1,270,333,401	1,084,666,639	1,271,388,795	1,340,123,655	28
RETIREMENTS	549,532,943	389,587,152	252,947,215	589,750,001	459,720,127	29
TRANSFERS AND ADJUSTMENTS	19,957,646-	2,138,606-	62,267,608	-	-	30
PLANT IN SERVICE END OF YEAR	$ 15,485,804,765	$ 14,719,715,570	$ 13,841,107,927	$ 14,744,350,597	$ 14,071,901,952	31

STARTING WITH THE YEAR 1983 CERTAIN OPENING BALANCES DIFFER FROM THE CORRESPONDING CLOSING BALANCES OF THE PRIOR YEAR. THIS IS DUE PRIMARILY TO THE TRANSFER OF ASSETS TO AT&T INFORMATION SYSTEMS AND AT&T COMMUNICATIONS AS A RESULT OF THE DIVESTITURE AGREEMENT

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

NEW YORK TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 7,102,795,437	$ 6,633,947,992	$ 6,399,085,634	$ 7,062,122,204	$ 6,704,040,078
2	ACCESS LINES (AVERAGE*)	8,903,310	8,663,080	8,432,130	8,284,376	8,210,581
	DOLLAR AMOUNTS					
3	WAGES AND BENEFITS	$ 2,080,842,540	$ 1,914,482,736	$ 2,176,541,378	$ 2,654,508,566	$ 2,609,399,062
4	OTHER OPERATION AND MAINTENANCE EXPENSES	1,486,251,062	1,513,401,330	1,133,641,951	1,102,192,913	1,091,642,657
5	DEPRECIATION AND AMORTIZATION EXPENSES	971,769,219	850,546,537	781,896,131	836,257,220	768,122,598
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	511,720,600	529,985,536	401,358,456	434,452,116	414,312,706
8	OTHER TAXES - OPERATING	890,179,952	843,377,922	951,457,983	1,001,662,561	850,744,263
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	323,711,131	332,787,188	344,867,558	391,647,758	376,197,750
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	838,320,933	649,386,743	607,322,177	631,401,040	593,621,042
12	TOTAL	$ 7,102,795,437	$ 6,633,947,992	$ 6,399,085,634	$ 7,062,122,204	$ 6,704,040,078
	PERCENT OF REVENUES					
13	WAGES AND BENEFITS	29.3	28.9	34.0	37.6	38.9
14	OTHER OPERATION AND MAINTENANCE EXPENSES	20.9	22.8	17.7	15.6	16.3
15	DEPRECIATION AND AMORTIZATION EXPENSES	13.7	12.8	12.2	11.9	11.5
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	7.2	8.0	6.3	6.2	6.2
18	OTHER TAXES - OPERATING	12.5	12.7	14.9	14.2	12.7
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.6	5.0	5.4	5.6	5.6
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	11.8	9.8	9.5	9.0	8.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER AVERAGE ACCESS LINE PER MONTH					
23	WAGES AND BENEFITS	$ 19.48	$ 18.42	$ 21.53	$ 26.70	$ 26.48
24	OTHER OPERATION AND MAINTENANCE EXPENSES	13.91	14.56	11.20	11.09	11.08
25	DEPRECIATION AND AMORTIZATION EXPENSES	9.10	8.18	7.73	8.41	7.80
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	4.79	5.10	3.97	4.37	4.21
28	OTHER TAXES - OPERATING	8.33	8.11	9.40	10.08	8.63
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.03	3.20	3.41	3.94	3.82
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.85	6.25	6.00	6.35	6.02
32	TOTAL	$ 66.48	$ 63.81	$ 63.24	$ 70.94	$ 68.04

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

NICHOLVILLE TELEPHONE COMPANY, INC.

LINE NO	ITEM		1986		1985		1984		1983		1982
	ASSETS AND OTHER DEBITS										
1	TELEPHONE PLANT	$	2,591,956	$	2,518,950	$	2,416,738	$	2,363,114	$	2,178,448
2	ACCUMULATED PROVISION FOR DEPR+AMORT		797,338		625,533		598,712		494,175		338,547
3	NET TELEPHONE PLANT		1,794,618		1,893,417		1,818,026		1,868,939		1,839,901
4	INVESTMENTS IN AFFILIATED COMPANIES		-		-		-		-		-
5	ADVANCES TO AFFILIATED COMPANIES		-		-		-		-		-
6	MISCELLANEOUS PHYSICAL PROPERTY		955		869		803		711		-
7	OTHER INVESTMENTS AND FUNDS		20,000		8,000		3,000		-		-
8	TOTAL INVESTMENTS AND FUNDS		20,955		8,869		3,803		711		-
9	CASH AND WORKING FUNDS		174,325		91,777		39,885		7,622		11,773
10	SPECIAL CASH DEPOSITS		-		-		-		-		-
11	TEMPORARY CASH INVESTMENTS		197,351		121,293		105,226		20,780		20,682
12	NOTES+ACCTS REC FROM AFFILIATED CO'S		-		-		-		-		-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE		72,703		102,473		80,586		46,081		33,548
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS		46,856		49,592		64,130		91,279		82,961
15	MATERIALS AND SUPPLIES*		34,906		34,058		32,147		34,935		24,820
16	PREPAYMENTS		25,483		23,792		14,810		15,784		16,903
17	OTHER CURRENT AND ACCRUED ASSETS		-		-		-		-		-
18	TOTAL CURRENT AND ACCRUED ASSETS		551,624		422,985		336,783		216,481		190,687
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE		7,346		10,982		7,939		8,235		8,532
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS		-		-		-		-		-
21	RESEARCH AND DEVELOPMENT		-		-		-		-		-
22	OTHER DEFERRED DEBITS		158		33		-		-		-
23	TOTAL DEFERRED DEBITS		7,513		11,015		7,939		8,235		8,532
24	TOTAL ASSETS AND OTHER DEBITS		2,374,710	$	2,336,286	$	2,166,551	$	2,094,376	$	2,039,120
	LIABILITIES AND OTHER CREDITS										
25	COMMON CAPITAL STOCK	$	41,000	$	41,000	$	41,000	$	41,000	$	41,000
26	PREFERRED CAPITAL STOCK		100,000		100,000		100,000		100,000		100,000
27	STOCK LIABILITY FOR CONVERSION		-		-		-		-		-
28	PREMIUM ON CAPITAL STOCK		-		-		-		-		-
29	CAPITAL STOCK SUBSCRIBED		-		-		-		-		-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK		-		-		-		-		-
31	OTHER PAID-IN CAPITAL		-		-		-		-		-
32	CAPITAL STOCK EXPENSE		3,851-		3,851-		3,851-		3,851-		3,851-
33	RETAINED EARNINGS		603,448		489,411		368,407		268,598		223,904
34	TOTAL PROPRIETARY CAPITAL		740,597		626,560		505,556		405,747		361,052
35	BONDS (LESS BONDS REACQUIRED)		1,395,427		1,424,413		1,452,019		1,478,208		1,503,145
36	ADVANCES FROM AFFILIATED COMPANIES		-		-		-		-		-
37	OTHER LONG-TERM DEBT		-		-		-		-		-
38	TOTAL LONG-TERM DEBT		1,395,427		1,424,413		1,452,019		1,478,208		1,503,145
39	NOTES+ACCTS PAY TO AFFILIATED CO'S		-		-		-		-		-
40	OTHER NOTES AND ACCOUNTS PAYABLE		37,712		127,880		96,843		135,199		94,917
41	CUSTOMERS' DEPOSITS		-		2,200		4,400		-		-
42	ADVANCE BILLING AND PAYMENTS		-		-		-		-		-
43	TAXES ACCRUED		8,449-		1,167-		3,190		1,817		6,180
44	OTHER CURRENT AND ACCRUED LIABILITIES		20,540		19,820		13,650		15,255		22,514
45	TOTAL CURRENT AND ACCRUED LIABILITIES		49,803		148,733		118,083		152,271		123,611
46	UNAMORTIZED PREMIUM ON DEBT		-		-		-		-		-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS		113,287		92,905		72,931		51,121		48,805
48	OTHER DEFERRED CREDITS		595		413		227		71		-
49	TOTAL DEFERRED CREDITS		113,882		93,318		73,158		51,192		48,805
50	OPERATING RESERVES		-		-		-		-		-
51	ACCUMULATED DEFERRED INCOME TAXES		75,001		43,262		17,735		6,958		2,507
52	TOTAL LIABILITIES AND OTHER CREDITS	$	2,374,710	$	2,336,286	$	2,166,551	$	2,094,376	$	2,039,120
	SELECTED BALANCE SHEET RELATIONSHIPS										
53	CURRENT ASSETS/CURRENT LIABILITIES		11.08		2.84		2.85		1.42		1.54
	PERCENT OF CAPITALIZATION										
54	LONG TERM DEBT		65.3		69.4		74.1		78.4		80.6
55	PREFERRED STOCK		4.6		4.8		5.1		5.3		5.3
56	COMMON STOCK+OTHER PAID-IN CAPITAL		1.7		1.8		1.8		1.9		1.9
57	RETAINED EARNINGS		28.2		23.8		18.8		14.2		12.0
	LONG-TERM DEBT										
58	PERCENT OF GROSS TELEPHONE PLANT		53.8		56.5		60.0		62.5		69.0
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT		30.7		24.8		24.7		20.9		15.5

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

NICHOLVILLE TELEPHONE COMPANY, INC

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,023,497 $	886,250 $	808,551 $	704,895 $	662,847	1
OPERATION AND MAINTENANCE EXPENSE	541,086	429,279	376,430	317,890	283,999	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	167,570	140,659	132,577	166,075	90,791	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	81,634	79,743	85,273	80,624	77,413	6
INCOME TAXES-OPERATING	31,387	4,434-	31,074	5,939	32,866	7
OPERATING INCOME TAXES DEFERRED	31,739	25,527	10,777	4,451	2,303	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	32,809	-	-	-	9
TOTAL OPERATING EXPENSES	853,416	703,583	636,131	574,979	487,372	10
TOTAL TELEPHONE OPERATING INCOME	170,081	182,667	172,420	129,916	175,475	11
OTHER INCOME						
DIVIDEND INCOME	-	8,871	-	-	-	12
INTEREST INCOME	14,212	-	5,259	1,594	694	13
ALLOWANCE FOR CONSTRUCTION FUNDS	1,107	8,700	5,442	3,259	1,799	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	56-	5-	384	159	-	16
MISCELLANEOUS INCOME	16,380	12,935	11,420	4,699	17,888	17
TOTAL OTHER INCOME	31,643	30,501	22,505	9,711	20,381	18
TOTAL INCOME	201,724	213,168	194,925	139,627	195,856	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	489	298	215	240	796	20
INCOME TAXES-NONOPERATING	6,524	5,998	3,489	925	3,288	21
MISCELLANEOUS INCOME CHARGES	934	816	770	311	95	22
TOTAL INCOME DEDUCTIONS	7,947	7,112	4,474	1,476	4,179	23
INCOME BEFORE INTEREST CHARGES	193,777	206,056	190,451	138,151	191,677	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	70,423	71,833	73,224	74,500	75,708	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	297	297	297	297	297	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	560	4,462	8,661	10,200	14,492	29
TOTAL INTEREST CHARGES	71,280	76,592	82,182	84,997	90,497	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	122,497	129,464	108,269	53,154	101,180	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 122,497 $	129,464 $	108,269 $	53,154 $	101,180	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 489,411 $	368,407 $	268,598 $	223,904 $	131,184	37
BALANCE TRANSFERRED FROM INCOME	122,497	129,464	108,269	53,154	101,180	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	6,000	6,000	6,000	6,000	6,000	42
-COMMON STOCK	2,460	2,460	2,460	2,460	2,460	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	603,448	489,411	368,407	268,598	223,904	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 603,448 $	489,411 $	368,407 $	268,598 $	223,904	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	52.8	48.4	46.5	45.0	42.8	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	16.3	15.8	16.3	23.5	13.6	49
TOTAL INCOME TAXES-OPERATING	6.2	6.1	5.2	1.5	5.3	50
OTHER TAXES-OPERATING	7.9	8.9	10.5	11.4	11.6	51
TOTAL OPERATING EXPENSES	83.3	79.3	78.6	81.5	73.5	52
OPERATING INCOME	16.6	20.6	21.3	18.4	26.4	53
INTEREST EXPENSE						
PRETAX COVERAGE	3.5	3.3	2.7	1.7	2.5	54
NET INCOME-PERCENT OF OPERATING REVENUES	11.9	14.6	13.3	7.5	15.2	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	2.1	1.9	2.4	5.2	2.5	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	19.9	28.4	28.7	16.6	44.3	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NICHOLVILLE TELEPHONE COMPANY, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 122,497	$ 129,464	$ 108,269	$ 53,154	$ 101,180
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	178,860	150,895	142,423	176,627	126,312
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	52,121	45,501	32,587	6,787	-
4	INTEREST CAPITALIZED	1,107-	8,700-	5,442-	3,259-	1,799-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	352,371	317,160	277,837	233,289	225,693
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	352,371	317,160	277,837	233,289	225,693
10	LESS DIVIDENDS PREFERRED	6,000	6,000	6,000	6,000	6,000
11	COMMON	2,460	2,460	2,460	2,460	2,460
12	NET FUNDS FROM INTERNAL SOURCES	343,911	308,700	269,377	224,829	217,233
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	-
20	OTHER SOURCES (NET)	-	-	-	321	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 343,911	$ 308,700	$ 269,377	$ 225,150	$ 217,233
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 79,879	$ 226,100	$ 91,354	$ 202,761	$ 79,998
25	NON-UTILITY PLANT	86	66	92	711	-
26	OTHER	12,000	5,000	3,000	-	-
27	TOTAL GROSS ADDITIONS	91,965	231,166	94,446	203,472	79,998
28	LESS INTEREST CAPITALIZED	1,107	8,700	5,442	3,259	1,799
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	90,858	222,466	89,004	200,213	78,199
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	28,986	27,606	26,189	24,937	21,883
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	28,986	27,606	26,189	24,937	21,883
37	OTHER USES (NET)	224,067	58,628	154,184	-	117,151
38						
39						
40	TOTAL FUNDS APPLIED	$ 343,911	$ 308,700	$ 269,377	$ 225,150	$ 217,233

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

NICHOLVILLE TELEPHONE COMPANY, INC

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 283,081 $	265,841 $	252,420 $	242,375 $	236,824	1
ACCESS REVENUES	239,467	226,151				2
TOLL REVENUES	442,628	339,258	544,770	453,251	415,459	3
MISCELLANEOUS REVENUES	62,384	57,362	19,022	12,698	12,420	4
UNCOLLECTIBLE REVENUES-DR	4,063	2,362	7,661	3,429	1,856	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,023,497 $	886,250 $	808,551 $	704,895 $	662,847	6
TELEPHONE ACCESS LINES IN SERVICE	1,826	1,791	1,750	1,714	1,731	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 156.57	$ 150.15	$ 145.74	$ 140.71	$ 138.17	8
ACCESS REVENUE	132.45	130.67				9
TOLL REVENUE	244.82	191.62	314.63	263.14	242.39	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 146,435 $	131,086 $	120,366 $	109,356 $	102,655	11
DEPRECIATION + AMORTIZATION EXPENSES	167,570	140,869	132,577	166,075	90,791	12
TRAFFIC EXPENSES	24,396	27,797	26,948	8,393	8,067	13
COMMERCIAL EXPENSES	37,493	31,437	28,231	31,708	29,000	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	202,614	189,038	158,473	115,686	88,315	16
OTHER OPERATING EXPENSES	130,147	49,941	42,412	52,747	55,962	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 708,656 $	569,938 $	509,007 $	483,965 $	374,790	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 2,546,269 $	2,493,805 $	2,285,781 $	2,284,038 $	2,131,982	19
PLANT UNDER CONSTRUCTION	45,687	25,145	130,957	79,076	46,466	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	2,591,956	2,518,950	2,416,738	2,363,114	2,178,448	24
ACCUMULATED PROVISION FOR DEPR+AMORT	797,338	625,533	598,712	494,175	338,547	25
NET TELEPHONE PLANT	$ 1,794,618 $	1,893,417 $	1,818,026 $	1,868,939 $	1,839,901	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,493,805 $	2,285,781 $	2,284,038 $	2,131,982 $	2,115,174	27
ADDITIONS	57,750	343,549	37,230	167,409	42,959	28
RETIREMENTS	5,286	135,525	35,487	15,353	26,151	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 2,546,269 $	2,493,805 $	2,285,781 $	2,284,038 $	2,131,982	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

NICHOLVILLE TELEPHONE COMPANY, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 1,023,497	$ 886,250	$ 808,551	$ 704,895	$ 662,847
2	ACCESS LINES (AVERAGE*)	1,808	1,771	1,732	1,723	1,714
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 321,113	$ 230,587	$ 207,468	$ 174,144	$ 155,084
4	OTHER OPERATION AND MAINTENANCE EXPENSES	219,973	198,692	168,962	143,746	128,915
5	DEPRECIATION AND AMORTIZATION EXPENSES	167,570	140,669	132,577	166,075	90,791
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	63,126	53,902	41,851	10,390	35,169
8	OTHER TAXES - OPERATING	81,634	79,743	85,273	80,624	77,413
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	70,819	73,077	79,744	82,963	89,650
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	5,961	5,704	5,799	5,837	5,933
11	EARNINGS AVAILABLE FOR COMMON EQUITY	93,301	103,886	86,877	41,116	79,892
12	TOTAL	$ 1,023,497	$ 886,250	$ 808,551	$ 704,895	$ 662,847
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	31.4	26.0	25.7	24.7	23.4
14	OTHER OPERATION AND MAINTENANCE EXPENSES	21.5	22.4	20.9	20.4	19.4
15	DEPRECIATION AND AMORTIZATION EXPENSES	16.4	15.9	16.4	23.6	13.7
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	6.2	6.1	5.2	1.5	5.3
18	OTHER TAXES - OPERATING	8.0	9.0	10.5	11.4	11.7
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	6.9	8.2	9.9	11.8	13.5
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.6	0.7	0.8	0.9
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9.1	11.7	10.7	5.8	12.1
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 14.80	$ 10.85	$ 9.98	$ 8.42	$ 7.54
24	OTHER OPERATION AND MAINTENANCE EXPENSES	10.14	9.35	8.13	6.95	6.27
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.72	6.62	6.38	8.03	4.41
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.91	2.54	2.01	0.50	1.71
28	OTHER TAXES - OPERATING	3.76	3.75	4.10	3.90	3.76
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.26	3.44	3.84	4.01	4.36
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.27	0.27	0.28	0.28	0.29
31	EARNINGS AVAILABLE FOR COMMON EQUITY	4.30	4.89	4.18	1.99	3.88
32	TOTAL	$ 47.17	$ 41.71	$ 38.90	$ 34.10	$ 32.23

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

OGDEN TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 20,706,479	$ 19,437,113	$ 18,564,148	$ 17,737,731	$ 17,216,737
2	ACCUMULATED PROVISION FOR DEPR+AMORT	6,478,929	5,910,722	4,976,311	5,287,782	4,553,512
3	NET TELEPHONE PLANT	14,227,550	13,526,391	13,587,837	12,449,949	12,663,225
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	170,768	170,768	89,751	95,106	68,164
7	OTHER INVESTMENTS AND FUNDS	22,000	10,000	5,000	2,000	2,000
8	TOTAL INVESTMENTS AND FUNDS	192,768	180,768	94,751	97,106	70,164
9	CASH AND WORKING FUNDS	45,361	118,613	94,974	308,572	148,871
10	SPECIAL CASH DEPOSITS	2,320	2,320	2,358	4,786	4,406
11	TEMPORARY CASH INVESTMENTS	-	-	-	413,522	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	21,847	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	9,637	13,400	180,354	18,922	25,091
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	196,313	177,459	-	452,945	426,473
15	MATERIALS AND SUPPLIES*	548,714	699,325	70,506	129,979	182,387
16	PREPAYMENTS	153,850	137,579	385,400	114,269	111,826
17	OTHER CURRENT AND ACCRUED ASSETS	75,856	72,942	748,165	66,706	62,292
18	TOTAL CURRENT AND ACCRUED ASSETS	1,032,051	1,221,638	1,493,604	1,509,701	961,346
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	250,796	261,057	-	281,577	118,153
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	11,436	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	31,308	14,808	-	5,898-	7,114
23	TOTAL DEFERRED DEBITS	282,104	275,865	11,436	275,679	125,267
24	TOTAL ASSETS AND OTHER DEBITS	15,734,473	$ 15,204,662	$ 15,187,628	$ 14,332,435	$ 13,820,002
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 1,137,294	$ 1,136,294	$ 1,132,294	$ 1,132,294	$ 1,132,183
26	PREFERRED CAPITAL STOCK	1,498,200	1,499,200	1,503,200	1,503,200	1,503,300
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	2,528,484	1,887,422	1,597,295	1,341,616	1,111,644
34	TOTAL PROPRIETARY CAPITAL	5,163,978	4,522,916	4,232,789	3,977,110	3,747,127
35	BONDS (LESS BONDS REACQUIRED)	8,980,139	9,052,685	9,117,834	9,150,000	9,150,000
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	8,980,139	9,052,685	9,117,834	9,150,000	9,150,000
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	517,750	751,056	1,149,494	383,682	452,172
41	CUSTOMERS DEPOSITS	-	-	8,855	10,710	15,460
42	ADVANCE BILLING AND PAYMENTS	73	73	236	-	73
43	TAXES ACCRUED	31,319	54,942	274	56,751	17,512
44	OTHER CURRENT AND ACCRUED LIABILITIES	1,854	1,782	24,845	208,000	3,799
45	TOTAL CURRENT AND ACCRUED LIABILITIES	550,996	807,853	1,183,703	658,143	489,016
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	402,353	276,920	190,753	88,248	27,943
48	OTHER DEFERRED CREDITS	30,233	21,537	-	-	-
49	TOTAL DEFERRED CREDITS	432,586	298,457	190,753	88,248	27,943
50	OPERATING RESERVES	84,394	80,753	61,969	60,701	62,686
51	ACCUMULATED DEFERRED INCOME TAXES	522,380	441,998	400,580	398,232	343,230
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 15,734,473	$ 15,204,662	$ 15,187,628	$ 14,332,435	$ 13,820,002
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	1.87	1.51	1.26	2.29	1.97
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	63.4	66.6	68.2	69.7	70.9
55	PREFERRED STOCK	10.5	11.0	11.2	11.4	11.6
56	COMMON STOCK+OTHER PAID-IN CAPITAL	8.0	8.3	8.4	8.6	8.7
57	RETAINED EARNINGS	17.8	13.9	11.9	10.2	8.6
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	43.3	46.5	49.1	51.6	53.1
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	31.2	30.4	26.8	29.8	26.4

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

OGDEN TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 5,660,802	$ 5,427,622	$ 4,958,892	$ 4,732,718	$ 4,341,528	1
OPERATION AND MAINTENANCE EXPENSE	1,962,842	2,074,492	1,839,868	1,731,111	1,648,427	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	1,049,232	1,029,955	1,028,856	874,736	709,044	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	648,088	734,997	659,277	627,809	550,087	6
INCOME TAXES-OPERATING	267,897	156,406	174,759	177,425	34,489	7
OPERATING INCOME TAXES DEFERRED	134,281	81,217	34,662	2,816	45,042	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	49,360-	35,259-	27,776-	23,168-	14,150-	9
TOTAL OPERATING EXPENSES	4,012,980	4,041,808	3,709,646	3,390,729	2,972,939	10
TOTAL TELEPHONE OPERATING INCOME	1,647,822	1,385,814	1,249,246	1,341,989	1,368,589	11
OTHER INCOME						
DIVIDEND INCOME	240	240	240	235	230	12
INTEREST INCOME	741	924	42,428	24,860	17,083	13
ALLOWANCE FOR CONSTRUCTION FUNDS	64,843	22,255	50,149	23,022	18,990	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC PHYSICAL PROPERTY	4,880-	2,782	2,967	5,447	-	16
MISCELLANEOUS INCOME	79,618	60,123	71,883	10,321	1,105-	17
TOTAL OTHER INCOME	140,562	86,324	167,667	63,885	35,198	18
TOTAL INCOME	1,788,384	1,472,138	1,416,913	1,405,874	1,403,787	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC TAXES-NONOPERATING	649	1,802	1,550	1,797	550	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	5,752	5,260	4,647	4,054	5,535	22
TOTAL INCOME DEDUCTIONS	6,401	7,062	6,197	5,851	6,085	23
INCOME BEFORE INTEREST CHARGES	1,781,983	1,465,076	1,410,716	1,400,023	1,397,702	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	849,701	866,259	870,928	910,970	1,120,156	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	10,260	10,260	10,260	10,260	4,271	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	10,467	46,276	27,166	5,372	10,471	29
TOTAL INTEREST CHARGES	870,428	922,795	908,354	926,602	1,134,898	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	911,555	542,281	502,362	473,421	262,804	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 911,555	$ 542,281	$ 502,362	$ 473,421	$ 262,804	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 1,887,419	$ 1,597,298	$ 1,341,616	$ 1,111,644	$ 1,082,689	37
BALANCE TRANSFERRED FROM INCOME	911,555	542,281	502,362	473,421	262,804	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	114,306	114,548	114,706	114,690	114,714	42
-COMMON STOCK	156,184	137,609	131,974	128,758	119,136	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,528,484	1,887,422	1,597,298	1,341,617	1,111,643	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,528,484	$ 1,887,422	$ 1,597,298	$ 1,341,616	$ 1,111,644	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	34 6	38 2	37 1	36 5	37 9	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	18 5	18 9	20 7	18 4	16 3	49
TOTAL INCOME TAXES-OPERATING	6 2	3 7	3 7	3 3	1 5	50
OTHER TAXES-OPERATING	11 4	13 5	13 2	13 2	12 6	51
TOTAL OPERATING EXPENSES	70 8	74 4	74 8	71 6	68 4	52
OPERATING INCOME	29 1	25 5	25 1	28 3	31 5	53
INTEREST EXPENSE						
PRETAX COVERAGE	2 4	1 8	1 7	1 7	1 3	54
NET INCOME-PERCENT OF OPERATING REVENUES	16 1	9 9	10 1	10 0	6 0	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	19 5	32 1	34 0	35 8	80 4	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	23 6	14 8	14 8	15 2	6 6	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

OGDEN TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 911,554	$ 542,281	$ 502,382	$ 473,421	$ 262,804
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	1,116,876	1,091,444	1,076,148	912,593	762,406
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	205,814	127,586	104,851	115,308	53,296
4	INTEREST CAPITALIZED	64,843-	22,256-	50,149-	23,022-	18,990-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	2,169,401	1,739,055	1,633,232	1,478,300	1,059,516
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	2,169,401	1,739,055	1,633,232	1,478,300	1,059,516
10	LESS DIVIDENDS PREFERRED	114,306	114,546	114,706	114,690	114,714
11	COMMON	155,184	137,609	131,974	128,758	119,136
12	NET FUNDS FROM INTERNAL SOURCES	1,898,911	1,486,900	1,386,552	1,234,852	825,666
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	686,000	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	686,000	-	-
20	OTHER SOURCES (NET)	102,010	248,286	738,869	5,155	65,549
21						
22						
23	TOTAL FUNDS PROVIDED	$ 2,000,921	$ 1,735,186	$ 2,811,421	$ 1,240,007	$ 891,215
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 1,851,217	$ 1,058,476	$ 2,826,755	$ 694,460	$ 705,837
25	NON-UTILITY PLANT	12,000	78,817	2,648	26,684	43,914
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	1,863,217	1,137,293	2,829,403	721,144	749,751
28	LESS INTEREST CAPITALIZED	64,843	22,256	50,149	23,022	18,990
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,798,374	1,115,038	2,779,254	698,122	730,761
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	72,548	55,149	32,166	-	-
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	130,000	565,000	-	-	160,454
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	202,548	620,149	32,166	-	160,454
37	OTHER USES (NET)	-	-	-	541,885	-
38						
39						
40	TOTAL FUNDS APPLIED	$ 2,000,921	$ 1,735,186	$ 2,811,420	$ 1,240,007	$ 891,215

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

OGDEN TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 3,454,356 $	3,337,952 $	3,229,098 $	3,081,410 $	2,859,755	1
ACCESS REVENUES	1,296,386	1,406,904				2
TOLL REVENUES	280,036	145,290	1,445,689	1,415,045	1,289,108	3
MISCELLANEOUS REVENUES	641,026	563,916	310,505	262,664	226,661	4
UNCOLLECTIBLE REVENUES-DR	11,000	26,400	26,400	26,400	13,996	5
TOTAL TELEPHONE OPERATING REVENUE	$ 5,660,802 $	5,427,622 $	4,958,892 $	4,732,719 $	4,361,528	6
TELEPHONE ACCESS LINES IN SERVICE	15,401	14,830	14,280	13,941	13,680	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 228.53	$ 229.33	$ 228.84	$ 223.12	$ 210.55	8
ACCESS REVENUE	85.77	99.71				9
TOLL REVENUE	18.53	9.98	102.46	102.46	93.44	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 846,597 $	975,293 $	842,313 $	846,413 $	840,734	11
DEPRECIATION + AMORTIZATION EXPENSES	1,049,232	1,029,955	1,028,885	874,738	709,044	12
TRAFFIC EXPENSES	60,287	65,229	46,361	28,729	35,512	13
COMMERCIAL EXPENSES	388,383	425,542	417,733	381,388	346,720	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	485,424	452,287	393,629	378,218	344,119	16
OTHER OPERATING EXPENSES	182,152	156,143	139,803	97,385	81,339	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 3,012,075 $	3,104,449 $	2,868,724 $	2,606,847 $	2,357,468	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 20,035,713 $	18,782,030 $	18,243,170 $	17,352,086 $	16,861,110	19
PLANT UNDER CONSTRUCTION	670,766	655,083	320,978	385,645	355,627	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	20,706,479	19,437,113	18,564,148	17,737,731	17,216,737	24
ACCUMULATED PROVISION FOR DEPR+AMORT	6,478,929	5,910,722	4,976,311	5,287,782	4,553,512	25
NET TELEPHONE PLANT	$ 14,227,550 $	13,526,391 $	13,587,837 $	12,449,949 $	12,663,225	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 18,782,030 $	18,243,170 $	17,352,085 $	16,861,110 $	16,587,428	27
ADDITIONS	1,833,685	797,862	2,891,424	664,442	633,742	28
RETIREMENTS	580,001	185,181	2,000,338	173,467	360,059	29
TRANSFERS AND ADJUSTMENTS	-	73,817-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 20,035,714 $	18,782,032 $	18,243,170 $	17,352,085 $	16,861,111	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

OGDEN TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 5,660,802	$ 5,427,622	$ 4,958,892	$ 4,732,718	$ 4,341,928
2	ACCESS LINES (AVERAGE*)	15,116	14,555	14,111	13,811	13,583
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 1,238,099	$ 1,454,494	$ 1,246,927	$ 1,142,900	$ 1,118,831
4	OTHER OPERATION AND MAINTENANCE EXPENSES	724,744	620,000	592,942	588,211	529,593
5	DEPRECIATION AND AMORTIZATION EXPENSES	1,049,232	1,029,955	1,028,855	874,736	709,044
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	352,818	202,364	181,645	157,073	65,381
8	OTHER TAXES - OPERATING	648,088	734,997	659,277	627,809	550,087
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	836,565	908,285	872,297	910,786	1,119,193
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	109,751	112,632	109,942	112,710	113,100
11	EARNINGS AVAILABLE FOR COMMON EQUITY	701,505	364,897	267,007	318,493	136,298
12	TOTAL	$ 5,660,802	$ 5,427,622	$ 4,958,892	$ 4,732,718	$ 4,341,928
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	21.9	26.8	25.1	24.1	25.8
14	OTHER OPERATION AND MAINTENANCE EXPENSES	12.8	11.4	12.0	12.4	12.2
15	DEPRECIATION AND AMORTIZATION EXPENSES	18.5	19.0	20.7	18.5	16.3
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	6.2	3.7	3.7	3.3	1.5
18	OTHER TAXES - OPERATING	11.4	13.5	13.3	13.3	12.7
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	14.8	16.7	17.6	19.2	25.8
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.9	2.1	2.2	2.4	2.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	12.4	6.7	5.4	6.7	3.1
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 6.83	$ 8.33	$ 7.36	$ 6.90	$ 6.86
24	OTHER OPERATION AND MAINTENANCE EXPENSES	4.00	3.55	3.50	3.55	3.25
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.78	5.90	6.08	5.28	4.35
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	1.95	1.16	1.07	0.95	0.40
28	OTHER TAXES - OPERATING	3.57	4.21	3.89	3.79	3.37
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.61	5.20	5.15	5.50	6.87
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.61	0.64	0.65	0.68	0.69
31	EARNINGS AVAILABLE FOR COMMON EQUITY	3.87	2.09	1.58	1.92	0.84
32	TOTAL	$ 31.21	$ 31.08	$ 29.29	$ 28.56	$ 26.64

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS. YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ONEIDA COUNTY RURAL TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 3,728,109	$ 3,655,495	$ 3,682,545	$ 3,506,248	$ 3,357,743
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,542,916	1,451,614	1,403,324	1,227,554	1,048,827
3	NET TELEPHONE PLANT	2,185,193	2,203,881	2,279,221	2,278,694	2,308,916
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	195,254	187,350	15,566	15,566	15,566
7	OTHER INVESTMENTS AND FUNDS	42,600	20,500	15,500	15,500	15,500
8	TOTAL INVESTMENTS AND FUNDS	237,854	207,850	31,066	31,066	31,066
9	CASH AND WORKING FUNDS	16,419	88,924	34,214	15,356	39,882
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	370,230	271,501	252,626	119,735	59,255
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	119,235	84,973	106,300	103,070	18,635
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	90,068	81,882	75,621	76,247	83,231
15	MATERIALS AND SUPPLIES*	95,585	68,067	35,452	58,306	58,154
16	PREPAYMENTS	45,451	39,590	40,178	37,932	39,251
17	OTHER CURRENT AND ACCRUED ASSETS	205,828	158,854	136,237	103,957	92,615
18	TOTAL CURRENT AND ACCRUED ASSETS	942,816	793,791	680,628	514,603	391,023
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	7,988	8,385	8,782	9,178	9,575
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	5,637	11,274	16,911	22,548
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	184	3,380	4,521-	1,716	16,409
23	TOTAL DEFERRED DEBITS	8,172	17,402	15,535	27,805	48,532
24	TOTAL ASSETS AND OTHER DEBITS	3,374,035	$ 3,222,924	$ 3,006,450	$ 2,852,168	$ 2,779,537
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 85,100	$ 85,100	$ 85,100	$ 85,100	$ 85,100
26	PREFERRED CAPITAL STOCK	81,700	83,700	90,050	92,250	95,700
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	679,577	567,294	453,267	359,037	270,404
34	TOTAL PROPRIETARY CAPITAL	846,377	736,094	628,417	536,387	451,204
35	BONDS (LESS BONDS REACQUIRED)	1,874,923	1,934,308	1,992,074	2,048,191	2,102,812
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	1,874,923	1,934,308	1,992,074	2,048,191	2,102,812
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	91,858	101,893	106,784	56,168	46,068
41	CUSTOMERS' DEPOSITS	5,505	5,751	7,360	9,210	5,780
42	ADVANCE BILLING AND PAYMENTS	20,619	18,159	16,652	24,190	21,391
43	TAXES ACCRUED	54,788	8,176-	33,730	33	2,816
44	OTHER CURRENT AND ACCRUED LIABILITIES	54,967	46,595	57,235	35,332	30,220
45	TOTAL CURRENT AND ACCRUED LIABILITIES	227,737	166,222	221,761	124,933	106,275
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	135,674	140,940	74,464	35,739	28,276
48	OTHER DEFERRED CREDITS	172,842	141,597	4,758	4,211	3,663
49	TOTAL DEFERRED CREDITS	308,516	282,537	79,222	39,950	31,939
50	OPERATING RESERVES	49,651	45,063	34,556	33,517	27,222
51	ACCUMULATED DEFERRED INCOME TAXES	66,831	58,700	50,420	69,190	60,085
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,374,035	$ 3,222,924	$ 3,006,450	$ 2,852,168	$ 2,779,537
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	4.14	4.78	3.07	4.12	3.68
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	68.8	72.4	76.0	79.2	82.3
55	PREFERRED STOCK	3.0	3.1	3.4	3.5	3.7
56	COMMON STOCK+OTHER PAID-IN CAPITAL	3.1	3.1	3.2	3.2	3.3
57	RETAINED EARNINGS	24.9	21.2	17.2	13.8	10.5
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	50.2	52.9	54.0	58.4	62.6
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	41.3	39.7	38.1	35.0	31.2

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

ONEIDA COUNTY RURAL TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES $	1,477,252 $	1,354,428 $	1,288,981 $	1,177,470 $	1,003,938	1
OPERATION AND MAINTENANCE EXPENSE	904,634	841,865	769,096	678,670	629,481	2
EXTRAORDINARY RETIREMENTS	5,637	5,637	5,637	5,637	5,637	3
DEPRECIATION	168,938	161,062	190,851	179,322	163,087	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	175,419	152,012	170,652	136,130	148,415	6
INCOME TAXES-OPERATING	40,978	56,467	33,227	7,463	2,462-	7
OPERATING INCOME TAXES DEFERRED	2,888-	1,117-	14,132-	22,295	-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	11,017	8,989-	4,638-	13,190-	7,305-	9
TOTAL OPERATING EXPENSES	1,303,735	1,206,937	1,150,693	1,016,327	936,853	10
TOTAL TELEPHONE OPERATING INCOME	173,517	147,491	138,288	161,143	67,085	11
OTHER INCOME						
DIVIDEND INCOME	-	18,313	-	-	-	12
INTEREST INCOME	19,826	-	10,259	7,786	6,408	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	23,283	928-	1,664-	1,357-	1,561-	16
MISCELLANEOUS INCOME	-	53,344	12,766	2,350	570	17
TOTAL OTHER INCOME	43,109	70,729	21,361	8,779	5,417	18
TOTAL INCOME	216,626	218,220	159,649	169,922	72,502	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	595	5,201	528	705	410	20
INCOME TAXES-NONOPERATING	22,550	22,399	-	-	-	21
MISCELLANEOUS INCOME CHARGES	3,308	1,939	5,667-	4,217-	2,607-	22
TOTAL INCOME DEDUCTIONS	26,453	29,539	5,139-	3,512-	2,197-	23
INCOME BEFORE INTEREST CHARGES	190,173	188,681	164,788	173,434	74,699	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	68,402	70,502	71,751	73,946	75,024	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	397	397	397	397	397	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	725	541-	1,459	1,386	811	29
TOTAL INTEREST CHARGES	69,524	70,358	73,607	75,729	76,232	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	120,649	118,323	91,181	97,705	1,533-	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	4,381	22,050	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	2,516-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	10,143	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	4,381	11,907	-	2,516-	35
NET INCOME $	120,649 $	122,704 $	103,088 $	97,705 $	4,049-	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	567,294 $	453,267 $	359,037 $	270,404 $	284,295	37
BALANCE TRANSFERRED FROM INCOME	120,649	122,704	103,088	97,705	4,049-	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	4,962	5,273	5,454	5,668	6,438	42
-COMMON STOCK	3,404	3,404	3,404	3,404	3,404	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	679,577	567,294	453,267	359,037	270,404	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR $	679,577 $	567,294 $	453,267 $	359,037 $	270,404	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	61.2	62.1	59.6	57.6	62.7	47
EXTRAORDINARY RETIREMENTS	0.3	0.4	0.4	0.4	0.5	48
DEPRECIATION AND AMORTIZATION	11.4	11.8	14.8	15.2	16.2	49
TOTAL INCOME TAXES-OPERATING	3.3	3.4	1.1	1.4	0.9-	50
OTHER TAXES-OPERATING	11.8	11.2	13.2	11.5	14.7	51
TOTAL OPERATING EXPENSES	88.2	89.1	89.2	86.3	93.3	52
OPERATING INCOME	11.7	10.8	10.7	13.6	6.6	53
INTEREST EXPENSE						
PRETAX COVERAGE	3.8	3.7	2.4	2.5	0.9	54
NET INCOME-PERCENT OF OPERATING REVENUES	8.1	9.0	7.9	8.2	0.3-	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	2.9	2.8	3.4	3.6	32.3-	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	16.3	19.7	19.8	23.0	2.7-	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ONEIDA COUNTY RURAL TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 120,649	$ 118,323	$ 91,181	$ 97,705	$ 1,533-
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	214,425	194,056	192,347	183,771	170,123
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	2,865	57,897	19,955	16,568	9,846-
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-	10,507	1,039	6,295	2,104
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	337,939	380,783	304,522	304,339	160,848
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	4,381	11,907	-	2,516-
9	TOTAL FUNDS FROM INTERNAL SOURCES	337,939	385,164	316,429	304,339	158,332
10	LESS DIVIDENDS: PREFERRED	4,962	5,273	5,454	5,668	6,438
11	COMMON	3,404	3,404	3,404	3,404	3,404
12	NET FUNDS FROM INTERNAL SOURCES	329,573	376,487	307,571	295,267	148,490
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	-
20	OTHER SOURCES (NET)	110,137	76,880	73,290	79,010	55,776
21						
22						
23	TOTAL FUNDS PROVIDED	$ 439,710	$ 453,367	$ 380,861	$ 374,277	$ 204,266
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 228,781	$ 199,283	$ 242,738	$ 204,451	$ 129,747
25	NON-UTILITY PLANT	30,390	23,003	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	259,171	222,286	242,738	204,451	129,747
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	259,171	222,286	242,738	204,451	129,747
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	59,386	39,156	56,117	54,621	50,023
31	PREFERRED STOCK	2,000	6,350	2,200	3,450	7,500
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	61,386	45,506	58,317	58,071	57,523
37	OTHER USES (NET)	119,154	185,575	79,806	111,755	16,996
38						
39						
40	TOTAL FUNDS APPLIED	$ 439,710	$ 453,367	$ 380,861	$ 374,277	$ 204,266

– MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

ONEIDA COUNTY RURAL TELEPHONE COMPANY

TELEPHONE OPERATING REVENUES

ITEM	1986	1985	1984	1983	1982	LINE NO.
OPERATING REVENUES						
LOCAL REVENUES	$ 802,781	$ 726,069	$ 722,206	$ 654,622	$ 630,509	1
ACCESS REVENUES	234,839	238,032				2
TOLL REVENUES	387,481	288,681	440,165	402,667	350,858	3
MISCELLANEOUS REVENUES	54,751	105,246	128,880	129,191	31,201	4
UNCOLLECTIBLE REVENUES-DR	2,600	3,600	2,270	9,000	8,630	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,477,252	$ 1,354,428	$ 1,288,981	$ 1,177,470	$ 1,003,938	6
TELEPHONE ACCESS LINES IN SERVICE	2,838	2,763	2,679	2,611	2,579	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 286.66	$ 266.84	$ 273.06	$ 252.26	$ 247.55	8
ACCESS REVENUE	83.86	89.99				9
TOLL REVENUE	138.36	106.09	166.41	155.17	137.75	10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM	1986	1985	1984	1983	1982	LINE NO.
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 311,083	$ 262,619	$ 284,592	$ 243,064	$ 229,366	11
DEPRECIATION + AMORTIZATION EXPENSES	174,573	166,699	196,488	184,969	168,724	12
TRAFFIC EXPENSES	33,981	28,165	32,386	22,768	21,850	13
COMMERCIAL EXPENSES	26,951	24,363	52,918	64,299	78,082	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	389,487	356,814	279,003	239,307	203,430	16
OTHER OPERATING EXPENSES	143,132	169,914	120,159	109,232	96,753	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,079,207	$ 1,008,564	$ 965,584	$ 863,629	$ 798,205	18

TELEPHONE UTILITY PLANT

ITEM	1986	1985	1984	1983	1982	LINE NO.
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 3,578,566	$ 3,509,719	$ 3,640,531	$ 3,459,965	$ 3,352,094	19
PLANT UNDER CONSTRUCTION	149,543	145,776	42,014	46,283	5,649	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	3,728,109	3,655,495	3,682,545	3,506,248	3,357,743	24
ACCUMULATED PROVISION FOR DEPR+AMORT	1,542,916	1,451,614	1,403,324	1,227,554	1,048,827	25
NET TELEPHONE PLANT	$ 2,185,193	$ 2,203,881	$ 2,279,221	$ 2,278,694	$ 2,308,916	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 3,509,719	$ 3,640,531	$ 3,459,965	$ 3,352,094	$ 3,294,310	27
ADDITIONS	223,014	95,522	247,007	163,817	132,440	28
RETIREMENTS	156,167	58,989	66,441	55,946	74,656	29
TRANSFERS AND ADJUSTMENTS	2,000	167,345-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 3,578,566	$ 3,509,719	$ 3,640,531	$ 3,459,965	$ 3,352,094	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

ONEIDA COUNTY RURAL TELEPHONE COMPANY

LINE NO.	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 1,477,252	$ 1,354,428	$ 1,288,981	$ 1,177,470	$ 1,003,938
2	ACCESS LINES (AVERAGE*)	2,801	2,721	2,645	2,595	2,547
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 495,385	$ 484,483	$ 398,391	$ 334,731	$ 289,706
4	OTHER OPERATION AND MAINTENANCE EXPENSES	409,249	357,382	370,705	343,939	339,775
5	DEPRECIATION AND AMORTIZATION EXPENSES	168,936	161,062	190,851	179,322	163,087
6	EXTRAORDINARY RETIREMENTS	5,637	5,637	5,637	5,637	5,637
7	INCOME TAXES - OPERATING	49,109	46,361	14,457	16,568	9,767-
8	OTHER TAXES - OPERATING	175,419	152,012	170,652	136,130	148,415
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	69,524	70,358	73,607	75,729	76,232
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	4,962	5,273	5,454	5,668	6,438
11	EARNINGS AVAILABLE FOR COMMON EQUITY	99,031	71,880	59,227	79,746	15,585-
12	TOTAL	$ 1,477,252	$ 1,354,428	$ 1,288,981	$ 1,177,470	$ 1,003,938
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	33.5	35.8	30.9	28.4	28.9
14	OTHER OPERATION AND MAINTENANCE EXPENSES	27.7	26.4	28.8	29.2	33.8
15	DEPRECIATION AND AMORTIZATION EXPENSES	11.4	11.9	14.8	15.2	16.2
16	EXTRAORDINARY RETIREMENTS	0.4	0.4	0.4	0.5	0.6
17	INCOME TAXES - OPERATING	3.3	3.4	1.1	1.4	0.9-
18	OTHER TAXES - OPERATING	11.9	11.2	13.2	11.6	14.8
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.7	5.2	5.7	6.4	7.6
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.3	0.4	0.4	0.5	0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY	6.7	5.3	4.6	6.8	1.5-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 14.74	$ 14.84	$ 12.55	$ 10.75	$ 9.48
24	OTHER OPERATION AND MAINTENANCE EXPENSES	12.18	10.95	11.68	11.04	11.12
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.03	4.93	6.01	5.76	5.34
26	EXTRAORDINARY RETIREMENTS	0.17	0.17	0.18	0.18	0.18
27	INCOME TAXES - OPERATING	1.46	1.42	0.46	0.53	0.31-
28	OTHER TAXES - OPERATING	5.22	4.66	5.38	4.37	4.86
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.07	2.15	2.32	2.43	2.49
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.15	0.16	0.17	0.18	0.21
31	EARNINGS AVAILABLE FOR COMMON EQUITY	2.95	2.20	1.87	2.56	0.50-
32	TOTAL	$ 43.96	$ 41.48	$ 40.61	$ 37.81	$ 32.85

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ONTARIO TELEPHONE COMPANY, INCORPORATED

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 4,287,260	$ 4,133,815	$ 3,955,563	$ 3,888,983	$ 2,597,206
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,660,859	1,505,771	1,309,785	1,339,804	1,176,210
3	NET TELEPHONE PLANT	2,626,401	2,628,044	2,645,778	2,549,179	1,420,996
4	INVESTMENTS IN AFFILIATED COMPANIES	102,394	94,070	83,993	71,042	63,875
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	70,679	35,016	24,948	-	-
7	OTHER INVESTMENTS AND FUNDS	20,000	8,000	3,000	-	-
8	TOTAL INVESTMENTS AND FUNDS	193,073	137,086	111,941	71,042	63,875
9	CASH AND WORKING FUNDS	625,449	312,196	292,329	144,966	34,134
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	100,435	100,566	152,130	-	790,380
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	182,231	214,678	65,320	65,873	77,082
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	536,606	233,260	139,599	5,351	28,436
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	149,027	205,828	191,746	140,027	111,695
15	MATERIALS AND SUPPLIES*	109,758	69,464	78,836	67,917	77,824
16	PREPAYMENTS	17,106	11,655	6,597	17,503	7,377
17	OTHER CURRENT AND ACCRUED ASSETS	152,843	133,584	124,584	144,459	126,398
18	TOTAL CURRENT AND ACCRUED ASSETS	1,873,555	1,281,231	1,051,141	586,096	1,253,326
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	2,108	2,522	2,936	3,351	3,766
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	5,478	14,715	16,234	15,090	19,350
23	TOTAL DEFERRED DEBITS	7,586	17,237	19,170	18,441	23,116
24	TOTAL ASSETS AND OTHER DEBITS	4,700,615	$ 4,063,598	$ 3,828,030	$ 3,224,758	$ 2,761,313
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 115,000	$ 115,000	$ 115,000	$ 115,000	$ 115,000
26	PREFERRED CAPITAL STOCK	125,000	125,000	125,000	125,000	125,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENCE	-	-	-	-	-
33	RETAINED EARNINGS	2,964,402	2,591,418	2,294,533	1,961,118	1,675,601
34	TOTAL PROPRIETARY CAPITAL	3,204,403	2,831,418	2,534,533	2,201,118	1,915,601
35	BONDS(LESS BONDS REACQUIRED)	228,000	234,000	240,000	246,000	252,000
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	228,000	234,000	240,000	246,000	252,000
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	288,663	253,346	321,349	265,275	225,980
41	CUSTOMERS DEPOSITS	5,199	7,950	9,217	9,325	9,675
42	ADVANCE BILLING AND PAYMENTS	21,435	19,390	16,084	14,169	10,916
43	TAXES ACCRUED	119,311	34,642	139,047	38,015	41,674
44	OTHER CURRENT AND ACCRUED LIABILITIES	35,706	26,737	24,992	24,262	26,217
45	TOTAL CURRENT AND ACCRUED LIABILITIES	470,314	342,065	510,689	351,046	314,462
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	188,159	202,437	191,967	175,107	89,470
48	OTHER DEFERRED CREDITS	21,617	-	-	2,705	4,057
49	TOTAL DEFERRED CREDITS	209,776	202,437	191,967	177,812	93,527
50	OPERATING RESERVES	29,828	-	3,202	1,850	2,750
51	ACCUMULATED DEFERRED INCOME TAXES	558,294	453,678	347,639	246,932	182,973
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 4,700,615	$ 4,063,598	$ 3,828,030	$ 3,224,758	$ 2,761,313
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	3.98	3.75	2.06	1.67	3.99
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	6.6	7.6	8.6	10.0	11.6
55	PREFERRED STOCK	3.6	4.0	4.5	5.1	5.7
56	COMMON STOCK+OTHER PAID-IN CAPITAL	3.3	3.7	4.1	4.6	5.3
57	RETAINED EARNINGS	86.3	84.5	82.6	80.1	77.3
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	5.3	5.6	6.0	6.3	9.7
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	38.7	36.4	33.1	34.4	45.2

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

ONTARIO TELEPHONE COMPANY, INCORPORATED

ITEM	1986	1985	1984	1983	1982	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 2,040,981	$ 1,816,252	$ 1,718,341	$ 1,427,683	$ 1,217,715	1
OPERATION AND MAINTENANCE EXPENSE	999,016	887,394	742,821	683,030	656,396	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	217,561	202,633	201,816	165,824	148,959	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	177,263	187,249	173,512	138,913	134,474	6
INCOME TAXES-OPERATING	157,042	98,105	125,024	98,319	65,218	7
OPERATING INCOME TAXES DEFERRED	102,455	105,180	99,486	63,959	10,000	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	1,653,327	1,480,561	1,342,658	1,150,045	1,015,047	10
TOTAL TELEPHONE OPERATING INCOME	387,654	335,691	375,683	277,638	202,668	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	61,831	33,016	28,339	42,050	92,193	13
ALLOWANCE FOR CONSTRUCTION FUNDS	3,704	2,972	1,332	26,021	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	5,150	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	10,198	10,134	492	-	-	16
MISCELLANEOUS INCOME	20,252	-	15,548	17,422	17,162	17
TOTAL OTHER INCOME	95,985	51,272	45,711	85,493	109,355	18
TOTAL INCOME	483,639	386,963	422,394	363,131	312,023	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	2,040	1,219	1,083	540	1,513	20
INCOME TAXES-NONOPERATING	31,535	16,845	15,638	7,276	23,761	21
MISCELLANEOUS INCOME CHARGES	4,991	4,925	3,806	7,233	2,631	22
TOTAL INCOME DEDUCTIONS	38,566	22,989	20,527	15,049	27,905	23
INCOME BEFORE INTEREST CHARGES	445,073	363,974	401,867	348,082	284,118	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	18,504	18,970	19,540	20,028	20,550	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	414	414	415	415	525	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	15,771	16,975	18,687	13,233	17,118	29
TOTAL INTEREST CHARGES	34,689	36,359	38,642	33,676	38,193	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	410,384	327,615	363,225	314,406	245,925	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	100,005	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	100,005	35
NET INCOME	$ 410,384	$ 327,615	$ 363,225	$ 314,406	$ 345,930	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,591,418	$ 2,294,533	$ 1,961,118	$ 1,675,601	$ 1,358,331	37
BALANCE TRANSFERRED FROM INCOME	410,384	327,615	363,225	314,406	345,930	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	7,500	7,500	7,500	7,499	7,500	42
-COMMON STOCK	29,900	23,230	22,310	21,390	21,160	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,964,402	2,591,418	2,294,533	1,961,118	1,675,601	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,964,402	$ 2,591,418	$ 2,294,533	$ 1,961,118	$ 1,675,601	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	48.9	48.8	43.2	47.8	53.9	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	10.6	11.1	11.7	11.6	12.2	49
TOTAL INCOME TAXES-OPERATING	12.7	11.2	13.1	11.4	6.2	50
OTHER TAXES-OPERATING	8.6	10.3	10.0	9.7	11.0	51
TOTAL OPERATING EXPENSES	81.0	81.5	78.1	80.5	83.3	52
OPERATING INCOME	18.9	18.4	21.8	19.4	16.6	53
INTEREST EXPENSE						
PRETAX COVERAGE	21.2	18.0	16.5	18.4	10.0	54
NET INCOME-PERCENT OF OPERATING REVENUES	20.1	18.0	21.1	22.0	28.4	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	7.4	7.2	6.2	6.9	6.2	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	13.9	12.5	15.8	15.8	20.7	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ONTARIO TELEPHONE COMPANY, INCORPORATED

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 410,384	$ 327,615	$ 363,225	$ 314,406	$ 245,925
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	235,053	219,673	217,384	179,858	162,923
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET	89,041	116,509	117,567	150,244	16,678
4	INTEREST CAPITALIZED	3,704-	2,972-	1,332-	26,021-	-
5	OTHER (NET)	-	7,197-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	730,774	653,628	696,844	618,487	425,526
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	100,005
9	TOTAL FUNDS FROM INTERNAL SOURCES	730,774	653,628	696,844	618,487	525,531
10	LESS DIVIDENDS PREFERRED	7,500	7,500	7,500	7,499	7,500
11	COMMON	29,900	23,230	22,310	21,390	21,160
12	NET FUNDS FROM INTERNAL SOURCES	693,374	622,898	667,034	589,598	496,871
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	75,287	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	75,287	-
20	OTHER SOURCES (NET)	-	15,137	60,614	663,837	10,891
21						
22						
23	TOTAL FUNDS PROVIDED	$ 693,374	$ 638,035	$ 727,648	$ 1,328,722	$ 507,762
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 230,792	$ 219,497	$ 351,577	$ 1,312,844	$ 162,830
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	8,324	10,077	12,951	7,167	10,795
27	TOTAL GROSS ADDITIONS	239,116	229,574	364,528	1,320,011	173,625
28	LESS INTEREST CAPITALIZED	3,704	2,972	1,332	26,021	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	235,412	226,602	363,196	1,293,990	173,625
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	6,000	6,000	6,000	6,000	6,000
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	2,400	13,750	200	-	171,050
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	8,400	19,750	6,200	6,000	177,050
37	OTHER USES (NET)	449,562	391,683	358,252	28,732	157,087
38						
39						
40	TOTAL FUNDS APPLIED	$ 693,374	$ 638,035	$ 727,648	$ 1,328,722	$ 507,762

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

ONTARIO TELEPHONE COMPANY, INCORPORATED

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 402,832 $	371,676 $	359,811 $	353,764 $	346,627	1
ACCESS REVENUES	684,093	829,086				2
TOLL REVENUES	618,411	296,154	1,246,422	982,087	787,725	3
MISCELLANEOUS REVENUES	339,645	323,336	128,108	99,832	89,863	4
UNCOLLECTIBLE REVENUES-DR	4,000	4,000	16,000	8,000	6,500	5
TOTAL TELEPHONE OPERATING REVENUE	$ 2,040,981 $	1,816,252 $	1,718,341 $	1,427,683 $	1,217,715	6
TELEPHONE ACCESS LINES IN SERVICE	3,558	3,481	3,353	3,230	3,188	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 114.82	$ 109.09	$ 109.32	$ 110.57	$ 110.26	8
ACCESS REVENUE	194.98	251.89				9
TOLL REVENUE	176.26	86.93	378.38	306.96	250.55	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 376,680 $	382,520 $	334,172 $	301,692 $	278,576	11
DEPRECIATION + AMORTIZATION EXPENSES	217,561	202,633	201,619	186,824	148,959	12
TRAFFIC EXPENSES	24,186	37,792	16,553	16,599	16,921	13
COMMERCIAL EXPENSES	199,717	158,677	139,123	140,809	132,613	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	222,675	199,262	174,885	150,032	129,764	16
OTHER OPERATING EXPENSES	175,758	109,135	78,308	73,898	100,523	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,216,577 $	1,090,027 $	944,660 $	848,854 $	805,356	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 4,226,133 $	4,085,904 $	3,900,673 $	3,880,539 $	2,565,104	19
PLANT UNDER CONSTRUCTION	61,127	47,911	54,890	8,444	31,102	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	1,000	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	4,287,260	4,133,815	3,955,563	3,888,983	2,597,206	24
ACCUMULATED PROVISION FOR DEPR+AMORT	1,660,859	1,505,771	1,309,785	1,339,804	1,176,210	25
NET TELEPHONE PLANT	$ 2,626,401 $	2,628,044 $	2,645,778 $	2,549,179 $	1,420,996	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 4,085,904 $	3,900,673 $	3,880,539 $	2,565,104 $	2,451,200	27
ADDITIONS	217,576	216,307	306,131	1,335,502	133,202	28
RETIREMENTS	77,347	31,076	285,997	20,067	19,298	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 4,226,133 $	4,085,904 $	3,900,673 $	3,880,539 $	2,565,104	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

ONTARIO TELEPHONE COMPANY, INCORPORATED

LINE NO	ITEM		1986		1985		1984		1983		1982
1	REVENUES	$	2,040,981	$	1,816,252	$	1,718,341	$	1,427,683	$	1,217,715
2	ACCESS LINES (AVERAGE*)		3,509		3,407		3,292		3,200		3,144
							DOLLAR AMOUNTS				
3	WAGES AND BENEFITS	$	682,672	$	579,675	$	514,542	$	438,252	$	421,857
4	OTHER OPERATION AND MAINTENANCE EXPENSES		316,344		307,719		228,279		244,778		234,539
5	DEPRECIATION AND AMORTIZATION EXPENSES		217,361		202,633		201,815		165,824		148,959
6	EXTRAORDINARY RETIREMENTS		-		-		-		-		-
7	INCOME TAXES - OPERATING		259,497		203,286		224,510		162,278		75,218
8	OTHER TAXES - OPERATING		177,293		187,249		173,512		138,913		134,474
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		34,504		36,181		38,569		31,698		38,193
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		7,425		7,428		7,472		6,770		7,500
11	EARNINGS AVAILABLE FOR COMMON EQUITY		345,725		292,082		329,642		239,170		156,975
12	TOTAL	$	2,040,981	$	1,816,252	$	1,718,341	$	1,427,683	$	1,217,715
							PERCENT OF REVENUES				
13	WAGES AND BENEFITS		33.4		31.9		29.9		30.7		34.6
14	OTHER OPERATION AND MAINTENANCE EXPENSES		15.5		16.9		13.3		17.1		19.3
15	DEPRECIATION AND AMORTIZATION EXPENSES		10.7		11.2		11.7		11.6		12.2
16	EXTRAORDINARY RETIREMENTS		-		-		-		-		-
17	INCOME TAXES - OPERATING		12.7		11.2		13.1		11.4		6.2
18	OTHER TAXES - OPERATING		8.7		10.3		10.1		9.7		11.0
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		1.7		2.0		2.2		2.2		3.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		0.4		0.4		0.4		0.5		0.6
21	EARNINGS AVAILABLE FOR COMMON EQUITY		16.9		16.1		19.2		16.8		12.9
22	TOTAL		100.0		100.0		100.0		100.0		100.0
							DOLLARS PER AVERAGE ACCESS LINE PER MONTH				
23	WAGES AND BENEFITS	$	16.21	$	14.18	$	13.03	$	11.41	$	11.18
24	OTHER OPERATION AND MAINTENANCE EXPENSES		7.51		7.53		5.78		6.38		6.22
25	DEPRECIATION AND AMORTIZATION EXPENSES		5.17		4.96		5.11		4.32		3.95
26	EXTRAORDINARY RETIREMENTS		-		-		-		-		-
27	INCOME TAXES - OPERATING		6.16		4.97		5.68		4.23		1.99
28	OTHER TAXES - OPERATING		4.21		4.58		4.39		3.62		3.56
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		0.82		0.88		0.98		0.83		1.01
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		0.18		0.18		0.19		0.18		0.20
31	EARNINGS AVAILABLE FOR COMMON EQUITY		8.21		7.14		8.35		6.23		4.16
32	TOTAL	$	48.48	$	44.42	$	43.50	$	37.19	$	32.28

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

PATTERSONVILLE TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 1,656,838	$ 1,692,540	$ 1,997,231	$ 1,897,908	$ 1,831,491
2	ACCUMULATED PROVISION FOR DEPR+AMORT	791,574	772,678	1,002,327	913,260	836,250
3	NET TELEPHONE PLANT	865,264	919,862	994,904	984,648	995,241
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	88,914	103,850	41,946	2,629	-
7	OTHER INVESTMENTS AND FUNDS	24,225	12,225	7,225	4,225	19,500
8	TOTAL INVESTMENTS AND FUNDS	113,139	116,075	49,171	6,854	19,500
9	CASH AND WORKING FUNDS	27,863	2,337	8,086	12,697	4,653
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	429,432	289,319	284,239	150,173	124,256
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	37,068	82,347	27,881	39,673	17,235
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	13,212	13,507	18,060	16,360	11,316
15	MATERIALS AND SUPPLIES*	41,869	39,196	37,763	35,225	33,425
16	PREPAYMENTS	29,869	36,918	28,790	32,763	26,114
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	579,313	463,624	404,819	286,891	216,999
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	11,490	12,092	12,809	13,491	14,102
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	107	30	-	-	-
23	TOTAL DEFERRED DEBITS	11,597	12,122	12,809	13,491	14,102
24	TOTAL ASSETS AND OTHER DEBITS	1,569,373 $	1,511,683 $	1,461,703 $	1,291,884 $	1,245,842
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 96,000	$ 96,000	$ 96,000	$ 96,000	$ 96,000
26	PREFERRED CAPITAL STOCK	15,300	30,800	42,000	42,500	45,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	33,550-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	727,503	623,621	511,318	408,882	344,051
34	TOTAL PROPRIETARY CAPITAL	805,253	750,421	649,318	547,382	485,051
35	BONDS (LESS BONDS REACQUIRED)	526,018	549,085	576,029	602,306	642,785
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	526,018	549,085	576,029	602,306	642,785
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	42,664	32,030	72,872	15,890	17,188
41	CUSTOMERS DEPOSITS	3,675	3,627	11,252	12,431	12,905
42	ADVANCE BILLING AND PAYMENTS	8,714	9,059	8,120	8,431	10,321
43	TAXES ACCRUED	10,729	3,340	15,505	9,683	3,468
44	OTHER CURRENT AND ACCRUED LIABILITIES	6,091	12,212	11,044	13,719	8,532
45	TOTAL CURRENT AND ACCRUED LIABILITIES	71,873	60,268	118,793	60,154	52,414
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	61,012	69,813	67,450	59,419	55,964
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	61,012	69,813	67,450	59,419	55,964
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	105,217	82,098	50,113	22,623	9,628
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,569,373 $	1,511,683 $	1,461,703 $	1,291,884 $	1,245,842
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	8.06	7.69	3.41	4.77	4.14
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	39.5	42.2	47.0	52.3	56.9
55	PREFERRED STOCK	1.1	2.3	3.4	3.6	3.9
56	COMMON STOCK+OTHER PAID-IN CAPITAL	4.7	7.3	7.8	8.3	8.5
57	RETAINED EARNINGS	54.6	47.9	41.7	35.5	30.5
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	31.7	32.4	28.8	31.7	35.0
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	47.7	45.6	50.1	48.1	45.6

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

PATTERSONVILLE TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 734,681	$ 711,453	$ 880,195	$ 729,635	$ 636,401	1
OPERATION AND MAINTENANCE EXPENSE	454,083	454,355	515,641	459,351	421,881	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	1,212	3
DEPRECIATION	105,172	102,457	108,978	93,910	87,987	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	79,095	75,012	87,931	76,928	62,158	6
INCOME TAXES-OPERATING	10,759	4,883	25,189	6,682	1,992	7
OPERATING INCOME TAXES DEFERRED	14,637	18,422	23,026	12,996	6,312	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	663,748	656,129	760,765	649,867	581,322	10
TOTAL TELEPHONE OPERATING INCOME	70,935	55,324	119,430	79,768	55,079	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	27,474	27,298	24,075	13,804	13,083	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	1,396	634	3,332	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	51,532	96,731	13,432	7,987	7,056	17
TOTAL OTHER INCOME	79,006	124,029	38,903	22,435	23,471	18
TOTAL INCOME	149,941	179,353	158,333	102,203	78,550	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	21,615	34,857	20,146-	3,848	2,707	21
MISCELLANEOUS INCOME CHARGES	550	99	80,258	-	95	22
TOTAL INCOME DEDUCTIONS	22,165	34,956	60,112	3,848	2,802	23
INCOME BEFORE INTEREST CHARGES	127,776	144,397	98,221	98,355	75,748	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	15,086	15,611	16,214	17,353	18,279	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	603	717	682	612	612	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	312	781	1,267	1,399	1,951	29
TOTAL INTEREST CHARGES	16,001	17,109	18,163	19,364	20,842	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	111,775	127,288	80,058	78,991	54,906	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	64,722	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	21,569	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	43,153	-	-	35
NET INCOME	$ 111,775	$ 127,288	$ 123,211	$ 78,991	$ 54,906	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 623,621	$ 511,318	$ 408,882	$ 344,051	$ 303,365	37
BALANCE TRANSFERRED FROM INCOME	111,775	127,288	123,211	78,991	54,906	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	1,698	2,505	2,535	2,640	2,700	42
-COMMON STOCK	6,195	12,480	18,240	11,520	11,520	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	727,503	623,621	511,318	408,882	344,051	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 727,503	$ 623,621	$ 511,318	$ 408,882	$ 344,051	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	61.8	63.8	58.5	62.9	66.2	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	0.1	48
DEPRECIATION AND AMORTIZATION	14.3	14.4	12.3	12.8	13.8	49
TOTAL INCOME TAXES-OPERATING	3.5	3.3	5.5	2.7	1.3	50
OTHER TAXES-OPERATING	10.7	10.5	9.9	10.5	9.7	51
TOTAL OPERATING EXPENSES	90.3	92.2	86.4	89.0	91.3	52
OPERATING INCOME	9.6	7.8	13.5	10.9	8.6	53
INTEREST EXPENSE						
PRETAX COVERAGE	10.3	11.1	6.5	5.9	3.9	54
NET INCOME-PERCENT OF OPERATING REVENUES	15.2	17.8	13.9	10.8	8.6	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	5.6	10.0	15.1	15.0	22.0	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	14.5	18.8	21.7	18.1	12.4	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

PATTERSONVILLE TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 111,775	$ 127,288	$ 58,489	$ 78,991	$ 54,906
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	133,013	134,418	118,510	101,690	95,215
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	14,320	34,346	38,521	16,451	8,215
4	INTEREST CAPITALIZED	-	-	1,396-	634-	3,332-
5	OTHER (NET)	7,579	14,398	1,226	-	2,667
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	266,687	310,450	212,350	196,498	157,671
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	64,722	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	266,687	310,450	277,072	196,498	157,671
10	LESS DIVIDENDS PREFERRED	1,698	2,505	2,535	2,640	2,700
11	COMMON	6,195	12,480	18,240	11,520	11,520
12	NET FUNDS FROM INTERNAL SOURCES	258,794	295,465	256,297	182,338	143,451
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	15,275	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	15,275	-
20	OTHER SOURCES (NET)	7,554	-	-	6,166	310
21						
22						
23	TOTAL FUNDS PROVIDED	$ 266,358	$ 295,465	$ 256,297	$ 203,779	$ 143,761
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 69,405	$ 103,193	$ 129,992	$ 97,263	$ 95,178
25	NON-UTILITY PLANT	1,653	32,485	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	71,058	135,678	129,992	97,263	95,178
28	LESS INTEREST CAPITALIZED	-	-	1,396	634	3,332
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	71,058	135,678	128,596	96,629	91,846
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	23,067	26,944	28,277	40,479	24,711
31	PREFERRED STOCK	15,500	11,200	500	2,500	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	33,550	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	72,117	38,144	28,777	42,979	24,711
37	OTHER USES (NET)	123,183	121,643	100,924	64,171	27,204
38						
39						
40	TOTAL FUNDS APPLIED	$ 266,358	$ 295,465	$ 256,297	$ 203,779	$ 143,761

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

PATTERSONVILLE TELEPHONE COMPANY

TELEPHONE OPERATING REVENUES

ITEM		1986	1985	1984	1983	1982	LINE NO
OPERATING REVENUES							
LOCAL REVENUES	$	358,932 $	355,215 $	519,186 $	438,158 $	402,697	1
ACCESS REVENUES		145,942	150,442				2
TOLL REVENUES		170,996	154,640	328,761	254,301	204,576	3
MISCELLANEOUS REVENUES		59,896	52,356	35,848	42,756	31,228	4
UNCOLLECTIBLE REVENUES-DR		1,084	1,200	3,600	5,600	2,100	5
TOTAL TELEPHONE OPERATING REVENUE	$	734,681 $	711,453 $	880,195 $	729,635 $	636,401	6
TELEPHONE ACCESS LINES IN SERVICE		1,100	1,087	1,069	1,040	977	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 328.24	$ 329.51	$ 492.36	$ 434.47	$ 416.87	8
ACCESS REVENUE		133.46	142.67				9
TOLL REVENUE		156.37	143.45	311.77	252.16	211.78	10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM		1986	1985	1984	1983	1982	LINE NO
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	121,905 $	112,836 $	181,352 $	162,647 $	157,137	11
DEPRECIATION + AMORTIZATION EXPENSES		106,172	102,457	108,978	93,910	89,190	12
TRAFFIC EXPENSES		18,370	17,696	19,480	16,894	12,661	13
COMMERCIAL EXPENSES		35,078	29,756	42,700	38,675	35,556	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		182,808	178,283	166,013	141,315	131,777	16
OTHER OPERATING EXPENSES		95,922	115,784	107,096	99,820	84,540	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	559,255 $	556,812 $	624,619 $	553,261 $	510,860	18

TELEPHONE UTILITY PLANT

ITEM		1986	1985	1984	1983	1982	LINE NO
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	1,645,933 $	1,690,610 $	1,970,468 $	1,871,626 $	1,820,874	19
PLANT UNDER CONSTRUCTION		10,905	1,930	26,763	26,282	10,617	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		-	-	-	-	-	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		1,656,838	1,692,540	1,997,231	1,897,908	1,831,491	24
ACCUMULATED PROVISION FOR DEPR+AMORT		791,574	772,678	1,002,327	913,260	835,250	25
NET TELEPHONE PLANT	$	865,264 $	919,862 $	994,904 $	984,648 $	996,241	26
PLANT IN SERVICE BEGINNING OF YEAR	$	1,690,610 $	1,970,468 $	1,871,626 $	1,820,874 $	1,712,985	27
ADDITIONS		60,430	128,026	129,511	81,599	155,881	28
RETIREMENTS		105,106	407,884	30,669	30,847	47,991	29
TRANSFERS AND ADJUSTMENTS		1-	-	-	-	3-	30
PLANT IN SERVICE END OF YEAR	$	1,645,933 $	1,690,610 $	1,970,468 $	1,871,626 $	1,820,874	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

PATTERSONVILLE TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 734,681	$ 711,463	$ 880,195	$ 729,635	$ 636,401
2	ACCESS LINES (AVERAGE*)	1,094	1,078	1,055	1,009	966
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 326,368	$ 254,938	$ 246,783	$ 228,024	$ 217,143
4	OTHER OPERATION AND MAINTENANCE EXPENSES	127,715	199,417	268,858	231,327	204,518
5	DEPRECIATION AND AMORTIZATION EXPENSES	105,172	102,467	108,978	93,910	87,987
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	1,212
7	INCOME TAXES - OPERATING	25,396	23,305	48,215	19,678	8,304
8	OTHER TAXES - OPERATING	79,096	76,012	87,931	76,928	62,158
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	16,001	17,109	17,924	19,223	19,682
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1,698	2,505	2,497	2,618	2,530
11	EARNINGS AVAILABLE FOR COMMON EQUITY	53,236	35,710	99,009	57,927	32,867
12	TOTAL	$ 734,681	$ 711,463	$ 880,195	$ 729,635	$ 636,401
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	44.4	35.8	28.0	31.3	34.1
14	OTHER OPERATION AND MAINTENANCE EXPENSES	17.4	28.0	30.5	31.7	32.1
15	DEPRECIATION AND AMORTIZATION EXPENSES	14.3	14.4	12.4	12.9	13.8
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	0.2
17	INCOME TAXES - OPERATING	3.5	3.3	5.5	2.7	1.3
18	OTHER TAXES - OPERATING	10.8	10.7	10.0	10.5	9.8
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.2	2.4	2.0	2.6	3.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.2	0.4	0.3	0.4	0.4
21	EARNINGS AVAILABLE FOR COMMON EQUITY	7.2	5.0	11.2	7.9	5.2
22	TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER AVERAGE ACCESS LINE PER MONTH			
23	WAGES AND BENEFITS	$ 24.87	$ 19.71	$ 19.50	$ 18.84	$ 18.73
24	OTHER OPERATION AND MAINTENANCE EXPENSES	9.73	15.42	21.28	19.11	17.64
25	DEPRECIATION AND AMORTIZATION EXPENSES	8.01	7.92	8.61	7.76	7.59
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	0.10
27	INCOME TAXES - OPERATING	1.94	1.80	3.81	1.63	0.72
28	OTHER TAXES - OPERATING	6.03	5.88	6.95	6.36	5.36
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1.22	1.32	1.42	1.59	1.70
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.13	0.19	0.20	0.22	0.22
31	EARNINGS AVAILABLE FOR COMMON EQUITY	4.06	2.76	7.82	4.79	2.84
32	TOTAL	$ 55.99	$ 55.00	$ 69.56	$ 60.29	$ 54.90

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

PORT BYRON TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 4,201,080	$ 4,034,391	$ 3,568,842	$ 3,406,636	$ 3,391,052
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,785,732	1,599,919	1,275,039	1,115,131	1,007,410
3	NET TELEPHONE PLANT	2,415,348	2,434,472	2,293,803	2,291,505	2,383,642
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	14,300	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	14,300	-	-	-	-
9	CASH AND WORKING FUNDS	187,748	76,353	81,730	47,135	25,605
10	SPECIAL CASH DEPOSITS	5,500	450	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	128	1,302	128,921	68,771	20,898
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	170,998	371,365	82,864	41,355	46,894
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	170,668	154,527	161,568	135,034	102,861
15	MATERIALS AND SUPPLIES*	191,734	43,750	71,661	24,971	29,455
16	PREPAYMENTS	74,701	66,738	59,843	56,115	61,276
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	801,479	714,485	586,577	373,381	286,989
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	7,929	8,259	8,589	8,919	9,249
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	11,889	17,472	19,968	22,464	24,960
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	-	-	-
23	TOTAL DEFERRED DEBITS	19,818	25,731	28,557	31,383	34,209
24	TOTAL ASSETS AND OTHER DEBITS	3,250,948	$ 3,174,688	$ 2,908,937	$ 2,696,269	$ 2,704,840
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 61,515	$ 61,515	$ 61,515	$ 61,515	$ 61,515
26	PREFERRED CAPITAL STOCK	113,300	113,300	113,300	118,300	122,500
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	5,390	5,390	5,390	2,890	1,000
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	353,297	419,130	148,768	170,304	238,560
34	TOTAL PROPRIETARY CAPITAL	533,502	599,335	328,973	353,009	423,575
35	BONDS(LESS BONDS REACQUIRED)	2,096,105	1,912,469	1,951,954	1,987,102	2,010,371
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	2,096,105	1,912,469	1,951,954	1,987,102	2,010,371
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	442,709	567,614	537,624	183,205	167,957
41	CUSTOMERS' DEPOSITS	-	-	-	-	-
42	ADVANCE BILLING AND PAYMENTS	22,144	20,433	25,246	51,269	12,545
43	TAXES ACCRUED	3,669	6,280	3,346	11-	3,345
44	OTHER CURRENT AND ACCRUED LIABILITIES	28,529	35,302	32,820	91,318	49,869
45	TOTAL CURRENT AND ACCRUED LIABILITIES	497,054	629,629	599,036	325,781	233,716
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	21,434	1,092	1,487	1,882	2,672
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	21,434	1,092	1,487	1,882	2,672
50	OPERATING RESERVES	23,473	32,163	27,487	24,765	24,975
51	ACCUMULATED DEFERRED INCOME TAXES	79,379	-	-	3,731	9,531
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,250,948	$ 3,174,688	$ 2,908,937	$ 2,696,269	$ 2,704,840
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	1.61	1.13	0.98	1.15	1.23
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	79.7	76.1	85.5	84.9	82.5
55	PREFERRED STOCK	4.3	4.5	4.9	5.0	5.0
56	COMMON STOCK+OTHER PAID-IN CAPITAL	2.5	2.6	2.9	2.7	2.5
57	RETAINED EARNINGS	13.4	16.6	6.5	7.2	9.8
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	49.8	47.4	54.6	58.3	59.2
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	42.5	39.6	35.7	32.7	29.7

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

PORT BYRON TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES $	1,580,821 $	1,586,603 $	1,267,283 $	1,135,137 $	1,114,637	1
OPERATION AND MAINTENANCE EXPENSE	889,144	855,874	803,634	716,555	723,416	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	232,489	207,866	191,539	180,340	182,306	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	206,955	204,073	183,320	167,724	151,167	6
INCOME TAXES-OPERATING	70,619	395-	395-	395-	-	7
OPERATING INCOME TAXES DEFERRED	47,174	-	-	-	-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	10,523-	-	3,731-	3,000-	-	9
TOTAL OPERATING EXPENSES	1,435,858	1,267,418	1,174,367	1,061,224	1,056,889	10
TOTAL TELEPHONE OPERATING INCOME	144,963	319,185	92,916	73,913	57,748	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	199	33	95	30	28	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	17,993	13,668	25,523	14,373	15,477	17
TOTAL OTHER INCOME	18,193	13,701	25,618	14,403	15,505	18
TOTAL INCOME	163,156	332,886	118,534	88,316	73,253	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	1,557	1,407	1,341	2,067	1,837	22
TOTAL INCOME DEDUCTIONS	1,557	1,407	1,341	2,067	1,837	23
INCOME BEFORE INTEREST CHARGES	161,599	331,479	117,193	86,249	71,416	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	94,631	96,380	98,496	99,860	101,200	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	330	330	330	330	330	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	62,918	35,604	26,373	12,921	19,416	29
TOTAL INTEREST CHARGES	157,880	132,314	125,199	113,111	120,946	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	3,718	199,165	8,006-	26,862-	49,530-	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	27,983	80,222	1,140	6,325	29,243	32
EXTRAORDINARY/DELAYED INCOME CHARGES	88,510-	-	5,470-	41,319-	93-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	60,527-	80,222	4,330-	34,993-	29,150	35
NET INCOME $	56,807-$	279,387 $	12,336-$	61,855-$	20,380-	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	419,130 $	148,768 $	170,304 $	241,755 $	268,608	37
BALANCE TRANSFERRED FROM INCOME	56,807-	279,387	12,336-	61,855-	20,380-	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	7,931	7,931	8,106	8,502	8,575	42
-COMMON STOCK	1,093	1,094	1,094	1,094	1,093	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	353,297	419,130	148,768	170,304	238,560	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR $	353,297 $	419,130 $	148,768 $	170,304 $	238,560	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES:						
OPERATION AND MAINTENANCE EXPENSE	56.2	53.9	63.4	63.1	64.9	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	14.7	13.1	15.1	15.8	16.3	49
TOTAL INCOME TAXES-OPERATING	6.8	-	0.2-	0.2-	-	50
OTHER TAXES-OPERATING	13.0	12.8	14.4	14.7	13.5	51
TOTAL OPERATING EXPENSES	90.8	79.8	92.6	93.4	94.8	52
OPERATING INCOME	9.1	20.1	7.3	6.5	5.1	53
INTEREST EXPENSE:						
PRETAX COVERAGE	1.7	2.5	0.9	0.7	0.6	54
NET INCOME-PERCENT OF OPERATING REVENUES	3.4-	17.6	0.8-	5.3-	1.7-	55
DIVIDEND APPROPRIATIONS, COMMON STOCK PERCENT OF EARNINGS AVAILABLE	1.5-	0.4	5.2-	1.4-	3.6-	56
PERCENT OF AVERAGE COMMON EQUITY: EARNINGS AVAILABLE FOR COMMON STOCK	14.1-	77.3	8.9-	26.1-	9.0-	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

PORT BYRON TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 3,718	$ 199,166	$ 8,006-	$ 26,862-	$ 49,530-
	NON-CASH CHARGES/CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	239,520	210,692	183,059	195,190	202,149
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	106,463	395-	4,126-	3,395-	-
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-	35,950	30,211	49,484	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	349,701	445,413	201,138	214,417	152,619
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	60,526-	80,222	4,330-	34,993-	29,150
9	TOTAL FUNDS FROM INTERNAL SOURCES	289,175	525,635	196,808	179,424	181,769
10	LESS DIVIDENDS PREFERRED	7,931	7,931	8,106	8,502	8,575
11	COMMON	1,094	1,094	1,094	1,094	1,093
12	NET FUNDS FROM INTERNAL SOURCES	280,150	516,610	187,608	169,828	172,101
	EXTERNAL SOURCES					
13	LONG TERM DEBT	225,070	-	-	8,000	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	55,000	115,000	55,000	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	225,070	55,000	115,000	63,000	-
20	OTHER SOURCES (NET)	35,374	-	-	-	33,018
21						
22						
23	TOTAL FUNDS PROVIDED	$ 540,594	$ 571,610	$ 302,608	$ 232,828	$ 205,119
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 250,163	$ 375,964	$ 210,019	$ 86,483	$ 165,308
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	250,163	375,964	210,019	86,483	165,308
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	250,163	375,964	210,019	86,483	165,308
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	41,434	39,485	35,148	31,269	29,759
31	PREFERRED STOCK	-	-	2,500	2,310	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	210,000	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	251,434	39,485	37,648	33,579	29,759
37	OTHER USES (NET)	38,997	156,161	54,941	112,766	10,052
38						
39						
40	TOTAL FUNDS APPLIED	$ 540,594	$ 571,610	$ 302,608	$ 232,828	$ 205,119

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

PORT BYRON TELEPHONE COMPANY

TELEPHONE OPERATING REVENUES

ITEM		1986	1985	1984	1983	1982	LINE NO
OPERATING REVENUES							
LOCAL REVENUES	$	715,758 $	683,498 $	484,603 $	471,915 $	478,126	1
ACCESS REVENUES		393,143	280,741				2
TOLL REVENUES		382,600	553,290	743,416	647,743	602,836	3
MISCELLANEOUS REVENUES		100,780	97,202	43,625	42,710	41,189	4
UNCOLLECTIBLE REVENUES-DR		11,441	8,129	4,361	27,231	7,513	5
TOTAL TELEPHONE OPERATING REVENUE	$	1,580,821 $	1,586,602 $	1,267,283 $	1,135,137 $	1,114,637	6
TELEPHONE ACCESS LINES IN SERVICE		2,620	2,522	2,501	2,411	2,383	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS							
REVENUE PER AVERAGE ACCESS LINE*							
LOCAL REVENUE		$ 278.40	$ 272.15	$ 197.31	$ 196.88	$ 166.66	8
ACCESS REVENUE		152.91	106.16				9
TOLL REVENUE		148.81	220.30	302.69	270.23	210.12	10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM		1986	1985	1984	1983	1982	LINE NO
OPERATION AND MAINTENANCE EXPENSES							
MAINTENANCE EXPENSES	$	228,184 $	187,402 $	182,483 $	158,858 $	167,055	11
DEPRECIATION + AMORTIZATION EXPENSES		232,489	207,866	191,539	180,340	182,306	12
TRAFFIC EXPENSES		58,203	54,894	61,785	11,811	12,424	13
COMMERCIAL EXPENSES		94,263	73,630	66,359	74,001	65,183	14
ACCESS EXPENSES		-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES		308,241	276,338	267,712	237,362	241,011	16
OTHER OPERATING EXPENSES		200,250	263,610	225,295	234,523	237,743	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$	1,121,633 $	1,063,740 $	995,173 $	896,895 $	905,722	18

TELEPHONE UTILITY PLANT

ITEM		1986	1985	1984	1983	1982	LINE NO
TELEPHONE UTILITY PLANT							
PLANT IN SERVICE	$	4,134,010 $	3,980,639 $	3,526,848 $	3,369,384 $	3,302,331	19
PLANT UNDER CONSTRUCTION		42,020	28,702	16,944	12,202	63,671	20
PROPERTY HELD FOR FUTURE USE		-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS		25,050	25,050	25,050	25,050	25,050	22
PLANT ADJUSTMENTS		-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT		4,201,080	4,034,391	3,568,842	3,406,636	3,391,052	24
ACCUMULATED PROVISION FOR DEPR+AMORT		1,785,732	1,599,919	1,275,039	1,115,131	1,007,410	25
NET TELEPHONE PLANT	$	2,415,348 $	2,434,472 $	2,293,803 $	2,291,505 $	2,383,642	26
PLANT IN SERVICE BEGINNING OF YEAR	$	3,980,639 $	3,526,848 $	3,369,385 $	3,302,331 $	3,223,309	27
ADDITIONS		237,094	364,204	205,277	137,952	123,284	28
RETIREMENTS		83,723	45,771	47,814	26,575	44,262	29
TRANSFERS AND ADJUSTMENTS		-	135,358	-	44,324-	-	30
PLANT IN SERVICE END OF YEAR	$	4,134,010 $	3,980,639 $	3,526,848 $	3,369,384 $	3,302,331	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

PORT BYRON TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 1,580,821	$ 1,586,603	$ 1,267,283	$ 1,135,137	$ 1,114,637
2	ACCESS LINES (AVERAGE*)	2,571	2,512	2,456	2,397	2,869
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 433,552	$ 425,159	$ 375,637	$ 338,989	$ 309,967
4	OTHER OPERATION AND MAINTENANCE EXPENSES	455,592	430,715	427,997	377,566	413,449
5	DEPRECIATION AND AMORTIZATION EXPENSES	232,489	207,866	191,539	180,340	182,306
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	107,270	395-	4,126-	3,395-	-
8	OTHER TAXES - OPERATING	206,955	204,073	183,320	167,724	151,167
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	157,880	132,314	125,199	113,111	120,946
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	7,931	7,931	8,106	8,502	8,575
11	EARNINGS AVAILABLE FOR COMMON EQUITY	20,848-	178,940	40,389-	47,700-	71,773-
12	TOTAL	$ 1,580,821	$ 1,586,603	$ 1,267,283	$ 1,135,137	$ 1,114,637
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	27.4	26.8	29.6	29.9	27.8
14	OTHER OPERATION AND MAINTENANCE EXPENSES	28.8	27.1	33.8	33.3	37.1
15	DEPRECIATION AND AMORTIZATION EXPENSES	14.7	13.1	15.1	15.9	16.4
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	6.8	-	0.2-	0.2-	-
18	OTHER TAXES - OPERATING	13.1	12.9	14.5	14.8	13.6
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	10.0	8.3	9.9	10.0	10.9
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.5	0.5	0.6	0.7	0.8
21	EARNINGS AVAILABLE FOR COMMON EQUITY	1.2-	11.3	3.1-	4.1-	6.3-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 14.05	$ 14.11	$ 12.75	$ 11.79	$ 9.00
24	OTHER OPERATION AND MAINTENANCE EXPENSES	14.77	14.29	14.52	13.13	12.01
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.54	6.90	6.50	6.27	5.30
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	3.48	-	0.13-	0.11-	-
28	OTHER TAXES - OPERATING	6.71	6.77	6.22	5.83	4.39
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.12	4.39	4.25	3.93	3.51
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.26	0.26	0.28	0.30	0.25
31	EARNINGS AVAILABLE FOR COMMON EQUITY	0.67-	5.94	1.38-	1.66-	2.07-
32	TOTAL	$ 51.24	$ 52.64	$ 43.00	$ 39.46	$ 32.38

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

ROCHESTER TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 629,832,049	$ 614,287,198	$ 564,800,288	$ 539,727,346	$ 519,970,230
2	ACCUMULATED PROVISION FOR DEPR+AMORT	192,875,468	204,129,053	191,732,627	173,109,631	155,617,504
3	NET TELEPHONE PLANT	436,956,581	410,158,145	373,067,661	366,617,715	364,352,726
4	INVESTMENTS IN AFFILIATED COMPANIES	64,772,069	49,597,474	41,094,084	33,036,179	33,061,415
5	ADVANCES TO AFFILIATED COMPANIES	6,505,517	2,350,000	1,600,000	2,175,000	4,790,000
6	MISCELLANEOUS PHYSICAL PROPERTY	2,379,906	1,409,804	455,252	358,852	243,140
7	OTHER INVESTMENTS AND FUNDS	59,759-	349,597-	1,000	269,553	210,921
8	TOTAL INVESTMENTS AND FUNDS	73,597,733	53,007,681	43,150,336	35,839,584	38,305,476
9	CASH AND WORKING FUNDS	1,763,715	918,824	967,216	986,266	479,947
10	SPECIAL CASH DEPOSITS	90,647	46,007	28,688	96,206	11,608
11	TEMPORARY CASH INVESTMENTS	1,196,083	7,547,887	24,701,018	13,549,938	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	2,441,788	1,850,062	1,002,793	1,053,276	597,866
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	10,351,764	8,529,631	9,101,917	2,861,403	2,804,191
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	28,105,470	26,847,601	23,156,446	24,757,378	24,558,932
15	MATERIALS AND SUPPLIES*	6,173,881	4,866,464	3,469,316	3,273,529	4,175,048
16	PREPAYMENTS	10,844,225	10,485,568	9,431,905	9,149,792	8,632,404
17	OTHER CURRENT AND ACCRUED ASSETS	-	22,624	82,729	34,774	-
18	TOTAL CURRENT AND ACCRUED ASSETS	60,967,573	61,114,668	71,942,028	55,762,562	41,259,996
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	866,181	928,296	986,798	1,048,811	1,113,713
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	1,660
22	OTHER DEFERRED DEBITS	6,395,798	6,241,987	4,905,425	4,251,681	3,402,962
23	TOTAL DEFERRED DEBITS	7,261,979	7,170,283	5,892,223	5,300,492	4,518,335
24	TOTAL ASSETS AND OTHER DEBITS	578,783,866 $	531,450,777 $	494,052,248 $	463,520,353 $	448,436,533
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 25,716,140	$ 25,517,042	$ 25,508,038	$ 25,461,648	$ 25,377,368
26	PREFERRED CAPITAL STOCK	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	58,801,793	57,624,565	57,550,811	57,170,485	56,479,590
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	33,296-	37,544-	41,792-	-	-
33	RETAINED EARNINGS	201,698,818	179,535,383	162,834,852	151,087,594	141,834,538
34	TOTAL PROPRIETARY CAPITAL	306,183,455	282,639,447	265,851,909	253,719,727	243,691,496
35	BONDS(LESS BONDS REACQUIRED)	130,045,000	130,280,000	130,493,000	131,015,000	132,148,000
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	130,045,000	130,280,000	130,493,000	131,015,000	132,148,000
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	5,776,165	9,452,335	9,906,519	658,125	438,263
40	OTHER NOTES AND ACCOUNTS PAYABLE	46,791,516	30,476,839	24,477,662	16,346,919	18,274,859
41	CUSTOMERS DEPOSITS	1,050,698	1,211,537	1,425,475	1,844,383	1,827,734
42	ADVANCE BILLING AND PAYMENTS	9,197,276	8,781,932	8,298,409	7,832,305	7,656,435
43	TAXES ACCRUED	10,302,930	10,817,914	9,100,398	10,856,983	9,948,888
44	OTHER CURRENT AND ACCRUED LIABILITIES	10,645,045	11,056,409	10,369,217	11,716,286	12,821,350
45	TOTAL CURRENT AND ACCRUED LIABILITIES	83,762,630	71,796,966	63,577,680	49,255,001	50,967,529
46	UNAMORTIZED PREMIUM ON DEBT	602	1,691	2,852	4,040	5,460
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	20,281,100	18,163,900	14,092,100	11,702,800	9,948,000
48	OTHER DEFERRED CREDITS	3,456,177	2,052,847	1,203,924	1,159,622	707,759
49	TOTAL DEFERRED CREDITS	23,737,879	20,218,438	15,298,876	12,866,462	10,661,219
50	OPERATING RESERVES	496,275-	339,357	61,707	31,122	632,866
51	ACCUMULATED DEFERRED INCOME TAXES	35,551,177	26,176,569	18,769,076	16,633,041	10,335,423
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 578,783,866 $	531,450,777 $	494,052,248 $	463,520,353 $	448,436,533
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	0.73	0.85	1.13	1.13	0.81
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	29.8	31.5	32.9	34.0	35.1
55	PREFERRED STOCK	4.5	4.8	5.0	5.1	5.3
56	COMMON STOCK+OTHER PAID-IN CAPITAL	19.3	20.1	20.9	21.4	21.7
57	RETAINED EARNINGS	46.2	43.4	41.0	39.2	37.7
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	20.6	21.2	23.1	24.2	25.4
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	30.6	33.2	33.9	32.0	29.9

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS
ROCHESTER TELEPHONE CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 241,130,366	$ 238,282,359	$ 228,053,641	$ 213,330,532	$ 200,827,052	1
OPERATION AND MAINTENANCE EXPENSE	97,095,757	90,989,066	90,589,382	87,097,420	84,908,957	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	39,917,187	39,491,996	33,900,144	29,745,066	28,186,894	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	24,024,606	26,496,150	29,601,063	28,337,061	25,632,243	6
INCOME TAXES-OPERATING	28,786,996	30,259,188	31,810,958	22,844,480	20,584,148	7
OPERATING INCOME TAXES DEFERRED	10,124,105	8,382,896	3,065,000	6,033,000	3,984,200	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	981,107-	1,086,452-	938,985-	257,718	606,804-	9
TOTAL OPERATING EXPENSES	196,987,454	194,192,842	188,027,592	174,314,734	162,569,638	10
TOTAL TELEPHONE OPERATING INCOME	44,142,912	44,089,517	40,026,049	39,015,798	38,257,414	11
OTHER INCOME						
DIVIDEND INCOME	10,379,983	2,874,710	2,106,258	1,615,753	1,901,961	12
INTEREST INCOME	122,912	965,598	2,489,259	899,351	1,580,511	13
ALLOWANCE FOR CONSTRUCTION FUNDS	1,989,862	1,606,607	380,846	301,110	386,821	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	568,623	729,064	67,737	18-	31,157-	16
MISCELLANEOUS INCOME	4,410,490	4,037,574	3,274,776	1,363,371	1,857,867	17
TOTAL OTHER INCOME	17,471,860	10,213,553	8,326,886	4,179,567	5,676,003	18
TOTAL INCOME	61,614,772	54,303,070	48,352,935	43,195,365	43,933,417	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	432,500	426,797	323,300	188,300	101,900	20
INCOME TAXES-NONOPERATING	489,082	647,692	825,553	225,714-	160,726	21
MISCELLANEOUS INCOME CHARGES	1,313,801	1,314,065	1,457,845	1,296,719	896,654	22
TOTAL INCOME DEDUCTIONS	2,235,383	2,388,554	2,606,698	1,259,305	1,159,280	23
INCOME BEFORE INTEREST CHARGES	59,379,389	51,914,516	45,746,237	41,936,060	42,774,137	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	8,747,493	8,761,087	8,769,078	8,804,628	8,878,088	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	59,832	59,892	59,951	60,231	60,949	26
AMORT. OF PREMIUM ON DEBT-CREDIT	1,058-	1,118-	1,136-	1,163-	1,224-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	1,176,677	192,247	493,955	474,245	1,912,397	29
TOTAL INTEREST CHARGES	9,982,944	9,012,108	9,321,840	9,337,951	10,850,210	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	49,396,445	42,902,408	36,424,389	32,598,109	31,923,927	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	372,531	96,034	15,702	67,682	33,541	32
EXTRAORDINARY/DELAYED INCOME CHARGES	51,898-	54,318-	22,685-	184,670-	11,348-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	146,327	15,644	10,437-	81,279-	5,222-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	174,306	26,072	3,454	35,709-	27,415	35
NET INCOME	$ 49,570,751	$ 42,928,480	$ 36,427,843	$ 32,562,400	$ 31,951,342	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 179,535,383	$ 162,834,852	$ 151,087,594	$ 141,834,538	$ 132,786,040	37
BALANCE TRANSFERRED FROM INCOME	49,570,752	42,928,480	36,427,843	32,562,400	31,951,342	38
MISCELLANEOUS CREDITS	-	-	2,922	-	782,982	39
MISCELLANEOUS DEBITS	4,248	6,159	708	-	1,702,134	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	1,012,500	1,012,500	1,012,500	1,012,500	1,012,500	42
-COMMON STOCK	26,390,569	25,209,290	23,670,299	22,296,844	20,971,192	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	201,698,818	179,535,383	162,834,852	151,087,594	141,834,538	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 201,698,818	$ 179,535,383	$ 162,834,852	$ 151,087,594	$ 141,834,538	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	40.3	38.0	39.7	40.8	42.2	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	16.5	16.6	14.8	13.9	14.0	49
TOTAL INCOME TAXES-OPERATING	14.9	15.8	14.9	13.7	11.9	50
OTHER TAXES-OPERATING	9.9	11.1	12.9	13.2	12.7	51
TOTAL OPERATING EXPENSES	81.6	81.4	82.4	81.7	80.9	52
OPERATING INCOME	18.3	18.5	17.6	18.2	19.0	53
INTEREST EXPENSE						
PRETAX COVERAGE	9.4	9.8	8.5	7.5	6.0	54
NET INCOME-PERCENT OF OPERATING REVENUES	20.5	18.0	15.9	15.2	15.9	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	54.3	60.1	66.8	70.6	67.7	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	17.6	16.4	14.7	13.7	14.1	57

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MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

ROCHESTER TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 49,396,446	$ 42,902,408	$ 36,424,388	$ 32,598,109	$ 31,923,927
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	40,004,614	39,573,561	33,941,418	29,776,542	28,219,840
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	11,683,971	11,635,310	4,467,207	7,945,189	5,252,266
4	INTEREST CAPITALIZED	1,989,854-	1,606,607-	388,846-	301,110-	386,821-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	99,095,177	92,504,672	74,444,167	70,018,730	65,009,212
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	174,305	26,072	3,454	35,709-	27,415
9	TOTAL FUNDS FROM INTERNAL SOURCES	99,269,482	92,530,744	74,447,621	69,983,021	65,036,627
10	LESS DIVIDENDS - PREFERRED	1,012,500	1,012,500	1,012,500	1,012,500	1,012,500
11	COMMON	26,390,568	25,209,290	23,670,299	22,296,844	20,971,192
12	NET FUNDS FROM INTERNAL SOURCES	71,866,414	66,308,954	49,764,822	46,673,677	43,052,935
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	46,390	-	-
15	COMMON STOCK	199,091	9,005	-	84,280	189,913
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	199,091	9,005	46,390	84,280	189,913
20	OTHER SOURCES (NET)	22,167,736	25,287,889	2,273,794	6,210,283	16,069,413
21						
22						
23	TOTAL FUNDS PROVIDED	$ 94,233,241	$ 91,605,848	$ 52,085,006	$ 52,968,240	$ 59,312,261
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 70,676,247	$ 79,039,592	$ 40,213,744	$ 33,004,394	$ 37,668,645
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	70,676,247	79,039,592	40,213,744	33,004,394	37,668,645
28	LESS INTEREST CAPITALIZED	1,989,854	1,606,607	388,846	301,110	386,821
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	68,686,393	77,432,985	39,824,898	32,703,284	37,281,824
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	235,000	213,000	922,000	1,133,000	1,948,000
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	235,000	213,000	922,000	1,133,000	1,948,000
37	OTHER USES (NET)	25,311,848	13,959,863	11,338,108	19,131,956	20,082,437
38						
39						
40	TOTAL FUNDS APPLIED	$ 94,233,241	$ 91,605,848	$ 52,085,006	$ 52,968,240	$ 59,312,261

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

ROCHESTER TELEPHONE CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 119,788,772	$ 116,215,898	$ 118,138,429	$ 115,303,432	$ 107,922,482	1
ACCESS REVENUES	76,908,663	77,639,535				2
TOLL REVENUES	17,914,293	17,145,977	92,549,564	82,455,250	79,936,239	3
MISCELLANEOUS REVENUES	27,634,389	28,198,211	18,358,848	16,339,850	13,891,631	4
UNCOLLECTIBLE REVENUES-DR	1,115,751	917,262	993,200	768,000	923,300	5
TOTAL TELEPHONE OPERATING REVENUE	$ 241,130,366	$ 238,282,359	$ 228,053,641	$ 213,330,532	$ 200,827,052	6
TELEPHONE ACCESS LINES IN SERVICE	414,621	410,452	403,261	391,104	384,663	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 290.37	$ 285.64	$ 297.44	$ 297.26	$ 282.11	8
ACCESS REVENUE	186.43	195.48				9
TOLL REVENUE	43.42	42.14	233.02	212.58	208.95	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTE~~NANCE EX~~PENSES						
MAINTENANCE EXPENSES	$ 40,758,858	$ 38,281,913	$ 38,150,717	$ 37,300,754	$ 34,952,743	11
DEPRECIATION + AMORTIZATION EXPENSES	39,917,187	39,491,996	33,900,144	29,745,055	28,186,894	12
TRAFFIC EXPENSES	9,564,471	9,390,017	9,067,804	8,804,491	8,824,679	13
COMMERCIAL EXPENSES	19,571,674	17,206,294	16,246,197	14,907,468	14,464,783	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	13,190,995	12,368,803	12,874,243	12,290,264	12,505,207	16
OTHER OPERATING EXPENSES	14,009,759	13,442,038	14,250,421	13,794,443	14,161,545	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 137,012,944	$ 130,181,061	$ 124,489,526	$ 116,842,475	$ 113,095,851	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 606,501,403	$ 588,179,381	$ 546,474,015	$ 530,991,677	$ 510,756,316	19
PLANT UNDER CONSTRUCTION	23,330,646	26,107,817	18,326,273	8,735,669	9,213,914	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	629,832,049	614,287,198	564,800,288	539,727,346	519,970,230	24
ACCUMULATED PROVISION FOR DEPR+AMORT	192,875,468	204,129,053	191,732,627	173,109,631	155,617,504	25
NET TELEPHONE PLANT	$ 436,956,581	$ 410,158,145	$ 373,067,661	$ 366,617,715	$ 364,352,726	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 588,179,381	$ 546,474,016	$ 530,991,677	$ 510,756,316	$ 485,811,030	27
ADDITIONS	70,977,652	72,338,462	33,515,491	35,740,391	49,799,829	28
RETIREMENTS	52,655,630	29,730,893	18,033,153	15,505,030	24,854,543	29
TRANSFERS AND ADJUSTMENTS	-	902,204-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 606,501,403	$ 588,179,381	$ 546,474,015	$ 530,991,677	$ 510,756,316	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

ROCHESTER TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 241,130,366	$ 238,282,359	$ 228,053,641	$ 213,330,532	$ 200,827,052
2	ACCESS LINES (AVERAGE*)	412,537	406,857	397,183	387,884	382,559
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 69,432,647	$ 67,000,609	$ 66,088,529	$ 65,600,014	$ 63,075,939
4	OTHER OPERATION AND MAINTENANCE EXPENSES	27,663,110	23,688,456	24,500,853	21,497,406	21,833,018
5	DEPRECIATION AND AMORTIZATION EXPENSES	39,917,187	39,491,996	33,900,144	29,745,055	28,186,894
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	35,949,904	37,555,631	33,937,003	29,135,198	23,841,544
8	OTHER TAXES - OPERATING	24,024,606	26,456,150	29,601,063	28,337,061	25,632,243
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	9,290,476	8,628,129	9,228,525	9,269,033	10,757,671
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	986,000	983,157	1,004,225	1,003,138	1,003,174
11	EARNINGS AVAILABLE FOR COMMON EQUITY	33,866,436	34,478,231	29,793,299	28,743,627	26,496,569
12	TOTAL	$ 241,130,366	$ 238,282,359	$ 228,053,641	$ 213,330,532	$ 200,827,052
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	28.8	28.1	29.0	30.8	31.4
14	OTHER OPERATION AND MAINTENANCE EXPENSES	11.5	9.9	10.7	10.1	10.9
15	DEPRECIATION AND AMORTIZATION EXPENSES	16.6	16.6	14.9	13.9	14.0
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	14.9	15.8	14.9	13.7	11.9
18	OTHER TAXES - OPERATING	10.0	11.1	13.0	13.3	12.8
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.9	3.6	4.0	4.3	5.4
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.4	0.4	0.4	0.5	0.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	14.0	14.5	13.1	13.5	13.2
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 14.03	$ 13.72	$ 13.87	$ 14.09	$ 13.74
24	OTHER OPERATION AND MAINTENANCE EXPENSES	5.59	4.85	5.14	4.62	4.76
25	DEPRECIATION AND AMORTIZATION EXPENSES	8.06	8.09	7.11	6.39	6.14
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	7.26	7.69	7.12	6.26	5.19
28	OTHER TAXES - OPERATING	4.85	5.42	6.21	6.09	5.58
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1.88	1.77	1.94	1.99	2.34
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.20	0.20	0.21	0.22	0.22
31	EARNINGS AVAILABLE FOR COMMON EQUITY	6.84	7.06	6.25	6.18	5.77
32	TOTAL	$ 48.71	$ 48.81	$ 47.85	$ 45.83	$ 43.75

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

SENECA-GORHAM TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 11,781,357	$ 9,887,643	$ 8,955,534	$ 7,961,122	$ 7,762,897
2	ACCUMULATED PROVISION FOR DEPR+AMORT	3,259,207	2,788,346	2,646,324	2,634,824	2,270,380
3	NET TELEPHONE PLANT	8,522,150	7,099,297	6,309,210	5,326,298	5,492,517
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	229,018	134,367	98,974	67,174	52,522
7	OTHER INVESTMENTS AND FUNDS	145,000	133,000	128,000	128,000	128,000
8	TOTAL INVESTMENTS AND FUNDS	374,018	267,367	226,974	195,174	180,522
9	CASH AND WORKING FUNDS	399,996	286,542	110,091	122,020	160,665
10	SPECIAL CASH DEPOSITS	-	250	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	318,239	595,636	358,000
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	117,324	118,125	98,886	11,006	172,189
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	159,813	139,949	137,961	236,352	203,586
15	MATERIALS AND SUPPLIES*	453,742	349,529	294,296	345,037	235,055
16	PREPAYMENTS	79,873	69,034	64,845	57,831	52,681
17	OTHER CURRENT AND ACCRUED ASSETS	131,834	105,385	87,355	83,980	64,960
18	TOTAL CURRENT AND ACCRUED ASSETS	1,342,582	1,068,814	1,111,672	1,451,862	1,247,136
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	37,834	39,693	41,551	43,519	45,596
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	21,101-	19,967	19,303-	65,194	25,764
23	TOTAL DEFERRED DEBITS	16,733	59,660	22,248	108,713	71,360
24	TOTAL ASSETS AND OTHER DEBITS	10,255,483	$ 8,495,138	$ 7,670,104	$ 7,082,047	$ 6,991,535
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 118,450	$ 118,450	$ 118,450	$ 118,450	$ 118,450
26	PREFERRED CAPITAL STOCK	100,000	100,000	100,000	100,000	100,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	4,427,334	3,837,141	3,373,461	2,983,032	2,875,628
34	TOTAL PROPRIETARY CAPITAL	4,645,784	4,055,591	3,591,911	3,201,482	3,094,078
35	BONDS(LESS BONDS REACQUIRED)	2,885,015	2,928,936	2,970,757	3,107,399	3,142,730
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	2,885,015	2,928,936	2,970,757	3,107,399	3,142,730
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	873,369	238,013	174,289	261,620	268,728
41	CUSTOMERS' DEPOSITS	16,800	18,280	27,879	23,656	24,701
42	ADVANCE BILLING AND PAYMENTS	154,636	35,954	10,670	20,583	7,271
43	TAXES ACCRUED	74,501	84,467	4,557	56,441-	35,314
44	OTHER CURRENT AND ACCRUED LIABILITIES	174,773	111,062	166,681	28,967	25,248
45	TOTAL CURRENT AND ACCRUED LIABILITIES	1,294,079	487,776	384,076	278,385	361,262
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	537,792	416,449	314,344	215,010	196,045
48	OTHER DEFERRED CREDITS	127,097	78,316	34,945	24,366	17,950
49	TOTAL DEFERRED CREDITS	664,889	494,765	349,289	239,376	213,995
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	765,716	528,070	374,071	255,405	179,470
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 10,255,483	$ 8,495,138	$ 7,670,104	$ 7,082,047	$ 6,991,535
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	1.04	2.19	2.89	5.22	3.45
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	38.3	41.9	45.2	49.2	50.3
55	PREFERRED STOCK	1.3	1.4	1.5	1.5	1.6
56	COMMON STOCK+OTHER PAID-IN CAPITAL	1.5	1.6	1.8	1.8	1.8
57	RETAINED EARNINGS	58.7	54.9	51.4	47.2	46.1
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	24.4	29.6	33.1	39.0	40.4
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	27.6	28.2	29.5	33.0	29.2

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

SENECA-GORHAM TELEPHONE CORPORATION

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS

ITEM	1986	1985	1984	1983	1982	LINE NO.
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 3,761,709	$ 3,442,180	$ 3,004,183	$ 2,782,463	$ 2,586,748	1
OPERATION AND MAINTENANCE EXPENSE	1,547,645	1,375,251	1,336,028	1,333,542	1,219,016	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	659,936	590,758	491,944	412,805	330,526	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	273,323	329,449	318,846	288,382	252,199	6
INCOME TAXES-OPERATING	214,749	232,054	83,023	143,505	112,435	7
OPERATING INCOME TAXES DEFERRED	294,460	201,220	138,660	96,450	67,750	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	49,920-	32,170-	19,250-	19,540-	20,205-	9
TOTAL OPERATING EXPENSES	2,940,193	2,696,562	2,349,251	2,255,144	1,961,721	10
TOTAL TELEPHONE OPERATING INCOME	821,516	745,618	654,932	527,319	625,027	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	42,387	12
INTEREST INCOME	10,692	21,775	46,251	39,117	3,338	13
ALLOWANCE FOR CONSTRUCTION FUNDS	28,081	11,152	6,700	1,327	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	5,967-	-	16
MISCELLANEOUS INCOME	73,238	58,893-	57,039-	9,485-	24,426-	17
TOTAL OTHER INCOME	112,011	25,966-	4,088-	24,992	21,299	18
TOTAL INCOME	933,527	719,652	650,844	552,311	646,326	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	24,700	20,000-	1,900	123,000-	14,300	21
MISCELLANEOUS INCOME CHARGES	922	759	1,138	301,394	2,538	22
TOTAL INCOME DEDUCTIONS	25,622	19,241-	3,038	178,394	16,838	23
INCOME BEFORE INTEREST CHARGES	907,905	738,893	647,806	373,917	629,488	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	188,965	192,808	198,132	206,813	196,625	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	1,859	1,859	1,968	2,077	3,115	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	3,438	4,476	4,897	5,243	19,774	29
TOTAL INTEREST CHARGES	194,262	199,143	204,997	214,133	219,514	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	713,643	539,750	442,809	159,784	409,974	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME	$ 713,643	$ 539,750	$ 442,809	$ 159,784	$ 409,974	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 3,837,141	$ 3,373,461	$ 2,983,032	$ 2,875,628	$ 2,518,033	37
BALANCE TRANSFERRED FROM INCOME	713,643	539,750	442,809	159,784	409,975	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	5,000	5,000	5,000	5,000	5,000	42
-COMMON STOCK	118,450	71,070	47,380	47,380	47,380	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	4,427,334	3,837,141	3,373,461	2,983,032	2,875,628	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 4,427,334	$ 3,837,141	$ 3,373,461	$ 2,983,032	$ 2,875,628	46

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1986	1985	1984	1983	1982	LINE NO.
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	41.1	39.9	44.4	47.9	47.1	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	17.5	17.1	16.3	14.8	12.7	49
TOTAL INCOME TAXES-OPERATING	12.2	11.7	6.7	7.9	6.2	50
OTHER TAXES-OPERATING	7.2	9.5	10.6	10.3	9.7	51
TOTAL OPERATING EXPENSES	78.1	78.3	78.1	81.0	75.8	52
OPERATING INCOME	21.8	21.6	21.8	18.9	24.1	53
INTEREST EXPENSE						
PRETAX COVERAGE	7.2	5.6	4.4	2.2	3.7	54
NET INCOME-PERCENT OF OPERATING REVENUES	18.9	15.6	14.7	5.7	15.8	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	16.7	13.2	10.8	30.6	11.6	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	16.6	14.3	13.2	6.0	14.3	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

SENECA-GORHAM TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 713,642	$ 539,750	$ 442,809	$ 159,784	$ 409,974
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	702,244	628,681	526,855	452,699	371,561
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	349,289	256,000	218,000	94,900	113,915
4	INTEREST CAPITALIZED	28,081-	11,152-	6,700-	1,327-	3,338-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,737,094	1,413,279	1,180,964	706,056	892,112
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,737,094	1,413,279	1,180,964	706,056	892,112
10	LESS DIVIDENDS PREFERRED	5,000	5,000	5,000	5,000	5,000
11	COMMON	118,450	71,070	47,380	47,380	47,380
12	NET FUNDS FROM INTERNAL SOURCES	1,613,644	1,337,209	1,128,584	653,676	839,732
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	-
20	OTHER SOURCES (NET)	819,392	302,263	588,936	-	241,053
21						
22						
23	TOTAL FUNDS PROVIDED	$ 2,433,036	$ 1,639,472	$ 1,717,520	$ 653,676	$ 1,080,785
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 2,162,501	$ 1,491,111	$ 1,574,654	$ 304,103	$ 788,390
25	NON-UTILITY PLANT	212,975	76,117	31,800	14,652	51,492
26	OTHER	14,112-	14,510	50,741-	-	-
27	TOTAL GROSS ADDITIONS	2,361,364	1,581,738	1,555,713	318,755	839,882
28	LESS INTEREST CAPITALIZED	28,081	11,152	6,700	1,327	3,338
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	2,333,283	1,570,586	1,549,013	317,428	836,544
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	43,921	41,821	136,642	35,332	200,970
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	10,000	7,000	3,519	1,981	8,000
34	OTHER (NET)	-	5,000	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	53,921	53,821	140,161	37,313	208,970
37	OTHER USES (NET)	45,832	15,065	28,346	298,935	35,271
38						
39						
40	TOTAL FUNDS APPLIED	$ 2,433,036	$ 1,639,472	$ 1,717,520	$ 653,676	$ 1,080,785

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

SENECA-GORHAM TELEPHONE CORPORATION

TELEPHONE OPERATING REVENUES

ITEM	1986	1985	1984	1983	1982	LINE NO.
OPERATING REVENUES						
LOCAL REVENUES	$ 755,934	$ 816,510	$ 803,064	$ 805,398	$ 762,689	1
ACCESS REVENUES	1,142,080	1,153,241				2
TOLL REVENUES	1,450,817	1,154,298	1,902,200	1,851,944	1,718,417	3
MISCELLANEOUS REVENUES	444,643	344,530	313,443	134,793	120,793	4
UNCOLLECTIBLE REVENUES-DR	31,765	26,399	14,524	9,672	15,121	5
TOTAL TELEPHONE OPERATING REVENUE	$ 3,761,709	$ 3,442,180	$ 3,004,183	$ 2,782,463	$ 2,586,748	6
TELEPHONE ACCESS LINES IN SERVICE	7,274	6,911	6,704	6,571	6,506	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 106.58	$ 119.94	$ 120.99	$ 123.18	$ 120.42	8
ACCESS REVENUE	161.03	173.75				9
TOLL REVENUE	204.56	169.56	286.58	283.24	271.32	10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM	1986	1985	1984	1983	1982	LINE NO.
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 517,405	$ 517,137	$ 556,519	$ 523,780	$ 518,641	11
DEPRECIATION + AMORTIZATION EXPENSES	659,936	590,758	491,944	412,805	330,526	12
TRAFFIC EXPENSES	31,932	31,636	30,468	33,197	30,750	13
COMMERCIAL EXPENSES	198,822	159,664	158,715	149,816	147,894	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	477,011	405,316	401,797	475,930	356,095	16
OTHER OPERATING EXPENSES	322,475	261,498	188,529	150,819	165,636	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 2,207,581	$ 1,966,009	$ 1,827,972	$ 1,746,347	$ 1,549,542	18

TELEPHONE UTILITY PLANT

ITEM	1986	1985	1984	1983	1982	LINE NO.
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 11,678,988	$ 9,769,620	$ 8,879,046	$ 7,924,609	$ 7,659,116	19
PLANT UNDER CONSTRUCTION	67,893	85,247	54,980	28,050	95,318	20
PROPERTY HELD FOR FUTURE USE	34,476	32,776	21,508	8,463	8,463	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	11,781,357	9,887,643	8,955,534	7,961,122	7,762,897	24
ACCUMULATED PROVISION FOR DEPR+AMORT	3,259,207	2,788,346	2,646,324	2,634,824	2,270,380	25
NET TELEPHONE PLANT	$ 8,522,150	$ 7,099,297	$ 6,309,210	$ 5,326,298	$ 5,492,517	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 9,769,620	$ 8,879,046	$ 7,924,608	$ 7,659,116	$ 6,996,991	27
ADDITIONS	2,178,157	1,460,843	1,547,724	371,371	772,127	28
RETIREMENTS	268,789	559,001	593,286	105,879	110,002	29
TRANSFERS AND ADJUSTMENTS	-	11,268-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 11,678,988	$ 9,769,620	$ 8,879,046	$ 7,924,608	$ 7,659,116	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

SENECA-GORHAM TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 3,761,709	$ 3,442,180	$ 3,004,183	$ 2,782,463	$ 2,586,748
2	ACCESS LINES (AVERAGE*)	7,093	6,808	6,638	6,539	6,334
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 893,001	$ 808,807	$ 791,810	$ 786,330	$ 772,272
4	OTHER OPERATION AND MAINTENANCE EXPENSES	654,644	566,444	544,218	547,212	446,744
5	DEPRECIATION AND AMORTIZATION EXPENSES	659,936	590,758	491,944	412,806	330,526
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	459,289	401,104	202,433	220,415	159,980
8	OTHER TAXES - OPERATING	273,323	329,449	318,846	288,382	252,199
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	187,761	196,422	202,947	213,606	218,422
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	4,828	4,933	4,946	4,987	4,973
11	EARNINGS AVAILABLE FOR COMMON EQUITY	628,927	544,263	447,039	308,727	401,632
12	TOTAL	$ 3,761,709	$ 3,442,180	$ 3,004,183	$ 2,782,463	$ 2,586,748
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	23.7	23.5	26.4	28.3	29.9
14	OTHER OPERATION AND MAINTENANCE EXPENSES	17.4	16.5	18.1	19.7	17.3
15	DEPRECIATION AND AMORTIZATION EXPENSES	17.5	17.2	16.4	14.8	12.8
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	12.2	11.7	6.7	7.9	6.2
18	OTHER TAXES - OPERATING	7.3	9.6	10.6	10.4	9.7
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	5.0	5.7	6.8	7.7	8.4
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.1	0.1	0.2	0.2	0.2
21	EARNINGS AVAILABLE FOR COMMON EQUITY	16.7	15.8	14.9	11.1	15.5
22	TOTAL	100.0	100.0	100.0	100.0	100.0
			DOLLARS PER AVERAGE ACCESS LINE PER MONTH			
23	WAGES AND BENEFITS	$ 10.49	$ 9.90	$ 9.94	$ 10.02	$ 10.16
24	OTHER OPERATION AND MAINTENANCE EXPENSES	7.69	6.93	6.83	6.97	5.88
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.75	7.23	6.18	5.26	4.35
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	5.40	4.91	2.54	2.81	2.10
28	OTHER TAXES - OPERATING	3.21	4.03	4.00	3.68	3.32
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.21	2.40	2.55	2.72	2.87
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.06	0.06	0.06	0.06	0.07
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.39	6.66	5.61	3.93	5.28
32	TOTAL	$ 44.20	$ 42.14	$ 37.72	$ 35.46	$ 34.04

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

STATE TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 5,835,448	$ 5,382,912	$ 4,974,757	$ 4,753,859	$ 4,595,181
2	ACCUMULATED PROVISION FOR DEPR+AMORT	4,049,546	3,791,861	3,513,542	3,164,913	2,818,940
3	NET TELEPHONE PLANT	1,785,902	1,591,051	1,461,215	1,588,946	1,776,241
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	52,498	44,814	22,150	-	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	52,498	44,814	22,150	-	-
9	CASH AND WORKING FUNDS	252,033	103,356	125,984	29,026	40,316
10	SPECIAL CASH DEPOSITS	798,664	471,413	234,357	403,920	172,705
11	TEMPORARY CASH INVESTMENTS	613,653	689,041	522,703	354,651	426,110
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	101,420	34,030	26,378	7,092	6,765
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	75,106	45,854	76,703	31,627	50,300
15	MATERIALS AND SUPPLIES*	89,228	50,089	30,598	26,788	19,546
16	PREPAYMENTS	96,736	154,761	73,567	70,565	66,943
17	OTHER CURRENT AND ACCRUED ASSETS	-	1,938	2,567	2,033	4,721
18	TOTAL CURRENT AND ACCRUED ASSETS	2,026,840	1,550,482	1,092,817	925,702	787,406
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	-	-	-	-	-
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	987	124	-	-	-
23	TOTAL DEFERRED DEBITS	987	124	-	-	-
24	TOTAL ASSETS AND OTHER DEBITS	3,866,227 $	3,186,471 $	2,576,182 $	2,514,648 $	2,563,647
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 80,000	$ 80,000	$ 80,000	$ 80,000	$ 80,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	2,866,105	2,197,068	1,882,820	1,578,885	1,353,327
34	TOTAL PROPRIETARY CAPITAL	2,946,105	2,277,067	1,962,820	1,658,885	1,433,327
35	BONDS(LESS BONDS REACQUIRED)	138,000	143,500	146,500	149,500	603,000
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	138,000	143,500	146,500	149,500	603,000
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	155,676	402,325	183,866	312,319	208,849
41	CUSTOMERS' DEPOSITS	36,885	38,500	47,145	40,665	32,490
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	321,080	57,261	58,852	92,557	71,507
44	OTHER CURRENT AND ACCRUED LIABILITIES	47,253	59,053	52,781	56,967	47,853
45	TOTAL CURRENT AND ACCRUED LIABILITIES	560,894	557,139	342,644	502,508	360,699
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	65,485	71,851	-	-	-
48	OTHER DEFERRED CREDITS	123,360	123,984	124,218	124,374	124,374
49	TOTAL DEFERRED CREDITS	188,845	195,835	124,218	124,374	124,374
50	OPERATING RESERVES	13,063	-	-	79,381	42,247
51	ACCUMULATED DEFERRED INCOME TAXES	19,320	12,929	-	-	-
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,866,227	$ 3,186,471	$ 2,576,182	$ 2,514,648	$ 2,563,647
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	3.61	2.78	3.19	1.84	2.18
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	4.4	5.9	6.9	8.2	29.6
55	PREFERRED STOCK	-	-	-	-	-
56	COMMON STOCK+OTHER PAID-IN CAPITAL	2.5	3.3	3.7	4.4	3.9
57	RETAINED EARNINGS	92.9	90.7	89.2	87.3	66.4
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	2.3	2.6	2.9	3.1	13.1
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	69.3	70.4	70.6	66.5	61.3

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS
STATE TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 3,265,896	$ 2,346,430	$ 2,286,146	$ 2,165,298	$ 1,865,545	1
OPERATION AND MAINTENANCE EXPENSE	1,550,641	1,262,275	1,262,481	1,238,586	1,117,619	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	309,525	292,627	351,460	346,236	335,967	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	288,283	215,261	223,936	209,683	177,918	6
INCOME TAXES-OPERATING	566,924	281,625	179,904	131,517	66,615	7
OPERATING INCOME TAXES DEFERRED	-	-	-	-	-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	2,715,373	2,051,788	2,017,781	1,926,022	1,698,119	10
TOTAL TELEPHONE OPERATING INCOME	550,523	294,642	268,365	239,276	167,426	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	98,334	90,932	57,246	51,234	39,080	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	72,273	63,547	32,325	98	-	17
TOTAL OTHER INCOME	170,607	154,479	89,571	51,332	39,080	18
TOTAL INCOME	721,130	449,121	357,936	290,608	206,506	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	20,462	-	-	21
MISCELLANEOUS INCOME CHARGES	18,484	22,132	914	1,048	988	22
TOTAL INCOME DEDUCTIONS	18,484	22,132	21,376	1,048	988	23
INCOME BEFORE INTEREST CHARGES	702,646	426,989	336,560	289,560	205,518	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	9,342	9,510	9,704	38,186	53,819	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	-	-	-	-	-	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	4,266	5,219	2,922	5,816	4,824	29
TOTAL INTEREST CHARGES	13,608	14,729	12,626	44,002	58,643	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	689,038	412,260	323,934	245,558	146,875	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	48,012-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	48,012-	-	-	-	35
NET INCOME	$ 689,038	$ 364,248	$ 323,934	$ 245,558	$ 146,875	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,197,067	$ 1,882,820	$ 1,578,885	$ 1,353,327	$ 1,228,732	37
BALANCE TRANSFERRED FROM INCOME	689,038	364,248	323,934	245,558	146,875	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	2,280	42
-COMMON STOCK	20,000	50,000	20,000	20,000	20,000	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	2,866,105	2,197,068	1,882,819	1,578,885	1,353,327	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 2,866,105	$ 2,197,068	$ 1,882,820	$ 1,578,885	$ 1,353,327	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	47.4	53.7	55.2	57.2	59.9	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	9.4	12.4	15.3	15.9	18.0	49
TOTAL INCOME TAXES-OPERATING	17.4	12.0	7.9	6.1	3.6	50
OTHER TAXES-OPERATING	8.8	9.1	9.7	9.6	9.5	51
TOTAL OPERATING EXPENSES	83.1	87.4	88.2	88.9	91.0	52
OPERATING INCOME	16.8	12.5	11.7	11.0	8.9	53
INTEREST EXPENSE						
PRETAX COVERAGE	93.3	48.1	42.5	9.6	4.6	54
NET INCOME-PERCENT OF OPERATING REVENUES	21.0	15.5	14.1	11.3	7.8	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	2.9	13.7	6.1	8.1	13.8	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	26.3	17.1	17.8	16.8	10.5	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

STATE TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 689,038	$ 412,260	$ 323,934	$ 245,558	$ 146,875
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	330,436	311,190	378,486	367,785	335,967
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	599-	-	-	-	-
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-	36,768	-	-	5,047
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,018,875	760,218	702,420	613,343	487,889
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,018,875	760,218	702,420	613,343	487,889
10	LESS DIVIDENDS PREFERRED	-	-	-	-	2,280
11	COMMON	20,000	50,000	-	20,000	20,000
12	NET FUNDS FROM INTERNAL SOURCES	998,875	710,218	702,420	593,343	465,609
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	148,500	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	148,500	-
20	OTHER SOURCES (NET)	-	-	-	-	14,653
21						
22						
23	TOTAL FUNDS PROVIDED	$ 998,875	$ 710,218	$ 702,420	$ 741,843	$ 480,262
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 532,974	$ 463,690	$ 260,615	$ 182,661	$ 207,027
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	9,693	-	-
27	TOTAL GROSS ADDITIONS	532,974	463,690	270,308	182,661	207,027
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	532,974	463,690	270,308	182,661	207,027
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	5,500	3,000	3,000	453,500	65,500
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	234	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	5,500	3,234	3,000	453,500	65,500
37	OTHER USES (NET)	460,401	243,294	429,112	105,682	207,735
38						
39						
40	TOTAL FUNDS APPLIED	$ 998,875	$ 710,218	$ 702,420	$ 741,843	$ 480,262

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

STATE TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 1,187,451	$ 1,081,097	$ 1,035,114	$ 1,006,734	$ 960,099	1
ACCESS REVENUES	1,025,683	64,777				2
TOLL REVENUES	639,205	999,909	1,028,301	950,334	715,140	3
MISCELLANEOUS REVENUES	435,837	215,052	230,154	219,973	205,616	4
UNCOLLECTIBLE REVENUES-DR	22,280	8,739	7,424	11,743	15,311	5
TOTAL TELEPHONE OPERATING REVENUE	$ 3,265,896	$ 2,352,096	$ 2,286,145	$ 2,165,298	$ 1,865,544	6
TELEPHONE ACCESS LINES IN SERVICE	6,354	6,108	5,873	5,452	5,543	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 190.57	$ 180.47	$ 182.80	$ 183.13	$ 174.40	8
ACCESS REVENUE	164.61	11.44				9
TOLL REVENUE	102.58	166.92	181.60	172.87	129.91	10

*YEAR END AVERAGE

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 585,132	$ 523,335	$ 538,913	$ 532,282	$ 452,314	11
DEPRECIATION + AMORTIZATION EXPENSES	309,525	292,627	351,460	346,236	335,967	12
TRAFFIC EXPENSES	126,694	30,762	31,805	37,843	37,971	13
COMMERCIAL EXPENSES	232,694	189,937	215,598	214,588	206,242	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	224,037	273,448	238,188	179,696	203,023	16
OTHER OPERATING EXPENSES	382,684	245,393	238,577	274,777	218,669	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,860,766	$ 1,555,502	$ 1,614,541	$ 1,585,422	$ 1,454,186	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 5,765,196	$ 5,276,458	$ 4,952,325	$ 4,734,958	$ 4,565,134	19
PLANT UNDER CONSTRUCTION	70,252	106,454	22,432	18,901	30,047	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	5,835,448	5,382,912	4,974,757	4,753,859	4,595,181	24
ACCUMULATED PROVISION FOR DEPR+AMORT	4,049,546	3,791,861	3,513,542	3,164,913	2,818,940	25
NET TELEPHONE PLANT	$ 1,785,902	$ 1,591,051	$ 1,461,215	$ 1,588,946	$ 1,776,241	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 5,276,458	$ 4,952,325	$ 4,734,958	$ 4,565,134	$ 4,358,107	27
ADDITIONS	569,221	387,382	279,593	193,807	291,196	28
RETIREMENTS	79,510	31,257	62,227	23,983	85,195	29
TRANSFERS AND ADJUSTMENTS	974-	31,994-	-	-	1,026	30
PLANT IN SERVICE END OF YEAR	$ 5,765,196	$ 5,276,458	$ 4,952,324	$ 4,734,958	$ 4,565,134	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

STATE TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 3,265,896	$ 2,346,430	$ 2,286,146	$ 2,165,298	$ 1,865,545
2	ACCESS LINES (AVERAGE*)	6,231	5,991	5,663	5,498	5,505
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 829,357	$ 695,885	$ 670,536	$ 689,136	$ 611,521
4	OTHER OPERATION AND MAINTENANCE EXPENSES	721,284	566,390	591,945	549,450	506,098
5	DEPRECIATION AND AMORTIZATION EXPENSES	309,525	292,627	351,460	346,236	335,967
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	566,924	281,625	179,904	131,517	66,615
8	OTHER TAXES - OPERATING	288,283	215,261	223,936	209,683	177,918
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	13,608	14,729	12,626	44,002	58,643
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	2,280
11	EARNINGS AVAILABLE FOR COMMON EQUITY	536,915	279,913	255,739	195,274	106,503
12	TOTAL	$ 3,265,896	$ 2,346,430	$ 2,286,146	$ 2,165,298	$ 1,865,545
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	25.4	29.7	29.3	31.8	32.8
14	OTHER OPERATION AND MAINTENANCE EXPENSES	22.1	24.1	25.9	25.4	27.1
15	DEPRECIATION AND AMORTIZATION EXPENSES	9.5	12.5	15.4	16.0	18.0
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	17.4	12.0	7.9	6.1	3.6
18	OTHER TAXES - OPERATING	8.8	9.2	9.8	9.7	9.5
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	0.4	0.6	0.6	2.0	3.1
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	0.1
21	EARNINGS AVAILABLE FOR COMMON EQUITY	16.4	11.9	11.2	9.0	5.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 11.09	$ 9.68	$ 9.87	$ 10.45	$ 9.26
24	OTHER OPERATION AND MAINTENANCE EXPENSES	9.65	7.88	8.71	8.33	7.66
25	DEPRECIATION AND AMORTIZATION EXPENSES	4.14	4.07	5.17	5.25	5.09
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	7.58	3.92	2.65	1.99	1.01
28	OTHER TAXES - OPERATING	3.86	2.99	3.30	3.18	2.69
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	0.18	0.20	0.19	0.67	0.89
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	0.03
31	EARNINGS AVAILABLE FOR COMMON EQUITY	7.18	3.89	3.76	2.96	1.61
32	TOTAL	$ 43.68	$ 32.64	$ 33.64	$ 32.82	$ 28.24

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

SYLVAN LAKE TELEPHONE COMPANY, INC.

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 15,756,998	$ 14,272,399	$ 13,790,789	$ 13,018,837	$ 12,271,281
2	ACCUMULATED PROVISION FOR DEPR+AMORT	5,526,924	4,633,873	5,802,333	5,181,799	5,065,082
3	NET TELEPHONE PLANT	10,230,074	9,638,526	7,988,456	7,837,038	7,206,199
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	-	-	-	-	-
7	OTHER INVESTMENTS AND FUNDS	3,750	2,250	-	2,250	2,250
8	TOTAL INVESTMENTS AND FUNDS	3,750	2,250	-	2,250	2,250
9	CASH AND WORKING FUNDS	264,862	141,685	31,256	39,598	68,130
10	SPECIAL CASH DEPOSITS	1,000	1,000	1,000	1,000	1,000
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	47,294	412,401	212,405	2,810	8,186
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	45,498	100,444	880,151	184,096	96,886
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	154,950	491,214	-	835,199	599,706
15	MATERIALS AND SUPPLIES*	201,867	197,213	204,647	188,085	406,667
16	PREPAYMENTS	105,845	97,447	89,111	108,114	77,514
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	821,116	1,441,404	1,418,570	1,358,902	1,258,089
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	87,184	95,191	103,199	112,117	38,638
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	199,907	91,025	121,776	46,257	70,386
23	TOTAL DEFERRED DEBITS	287,091	186,216	224,975	158,374	109,024
24	TOTAL ASSETS AND OTHER DEBITS	11,342,031	$ 11,268,396	$ 9,632,001	$ 9,356,564	$ 8,575,562
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 168,000	$ 168,000	$ 168,000	$ 168,000	$ 168,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	257,300	257,300	257,300	257,300	257,300
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	767,000	767,000	767,000	767,000	767,000
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	3,312,853	2,965,553	2,645,210	2,475,852	2,226,728
34	TOTAL PROPRIETARY CAPITAL	4,505,153	4,157,853	3,837,510	3,668,152	3,419,028
35	BONDS (LESS BONDS REACQUIRED)	3,580,750	3,583,000	3,589,000	3,595,000	1,701,000
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	175,000	1,740,000
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	3,580,750	3,583,000	3,589,000	3,770,000	3,441,000
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	339,533	712,724	-	34,451	66,139
40	OTHER NOTES AND ACCOUNTS PAYABLE	675,242	644,865	326,802	261,999	228,682
41	CUSTOMERS' DEPOSITS	39,176	29,008	35,022	29,883	28,286
42	ADVANCE BILLING AND PAYMENTS	19,452	16,666	-	20,579	22,969
43	TAXES ACCRUED	29,092	61,018	105,100	15,266-	20,540
44	OTHER CURRENT AND ACCRUED LIABILITIES	202,244	202,477	167,683	126,651	108,563
45	TOTAL CURRENT AND ACCRUED LIABILITIES	1,304,739	1,666,758	634,607	458,297	475,179
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	669,979	697,979	642,979	637,979	585,579
48	OTHER DEFERRED CREDITS	45,000	45,000	45,000	45,000	27,140
49	TOTAL DEFERRED CREDITS	714,979	742,979	687,979	682,979	612,719
50	OPERATING RESERVES	84,574	77,370	9,669	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	1,151,836	1,040,436	873,236	777,136	627,636
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 11,342,031	$ 11,268,396	$ 9,632,001	$ 9,356,564	$ 8,575,562
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	0.63	0.86	2.24	2.97	2.65
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	44.2	46.2	48.3	50.6	50.1
55	PREFERRED STOCK	-	-	-	-	-
56	COMMON STOCK+OTHER PAID-IN CAPITAL	14.7	15.4	16.0	16.0	17.3
57	RETAINED EARNINGS	40.9	38.3	35.6	33.2	32.4
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	22.7	25.1	26.0	28.9	28.0
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	35.0	32.4	42.0	39.8	41.2

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*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

SYLVAN LAKE TELEPHONE COMPANY, INC

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 5,511,942	$ 5,110,731	$ 4,250,020	$ 3,921,346	$ 3,747,135	1
OPERATION AND MAINTENANCE EXPENSE	2,368,958	2,368,177	1,914,078	1,719,093	1,612,950	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	971,792	915,696	757,250	685,354	689,462	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	405,754	451,899	467,218	421,977	350,807	6
INCOME TAXES-OPERATING	429,373	178,760	149,716	96,194	167,060	7
OPERATING INCOME TAXES DEFERRED	124,500	181,800	110,200	164,600	110,800	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	13,100-	14,600-	14,100-	15,100-	14,800-	9
TOTAL OPERATING EXPENSES	4,287,277	4,081,732	3,384,362	3,072,118	2,916,279	10
TOTAL TELEPHONE OPERATING INCOME	1,224,665	1,028,999	865,658	849,228	830,856	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	8,367	74,571	22,967	18,857	583	13
ALLOWANCE FOR CONSTRUCTION FUNDS	27,000	48,644	4,482	4,089	14,579	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	7,754	-	-	16
MISCELLANEOUS INCOME	13,832	17,760	-	-	-	17
TOTAL OTHER INCOME	49,199	140,975	35,203	22,946	15,162	18
TOTAL INCOME	1,273,864	1,169,974	900,861	872,174	846,018	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	575	696	343	-	-	20
INCOME TAXES-NONOPERATING	7,809	41,057	13,169	7,554	267-	21
MISCELLANEOUS INCOME CHARGES	4,647	2,383	1,750	2,435	1,163	22
TOTAL INCOME DEDUCTIONS	13,031	44,136	15,262	9,989	896	23
INCOME BEFORE INTEREST CHARGES	1,260,833	1,125,838	885,599	862,185	845,122	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	385,524	385,854	386,181	286,246	144,589	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	8,007	8,008	8,008	6,287	2,427	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	3,238	5,874	3,833	62,846	219,926	29
TOTAL INTEREST CHARGES	396,769	399,736	398,022	355,379	366,942	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	864,064	726,102	487,577	506,806	478,180	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	40-	45,000-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	40-	45,000-	35
NET INCOME	$ 864,064	$ 726,102	$ 487,577	$ 506,766	$ 433,180	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 2,965,552	$ 2,645,210	$ 2,475,852	$ 2,226,728	$ 2,063,747	37
BALANCE TRANSFERRED FROM INCOME	864,064	726,102	487,577	506,766	433,180	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	42
-COMMON STOCK	516,763	405,760	318,219	257,642	270,199	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	3,312,853	2,965,553	2,645,210	2,475,852	2,226,728	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 3,312,853	$ 2,965,553	$ 2,645,210	$ 2,475,852	$ 2,226,728	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	42.9	46.3	45.0	43.8	43.0	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	17.6	17.9	17.8	17.4	18.3	49
TOTAL INCOME TAXES-OPERATING	9.8	6.8	5.8	6.3	7.0	50
OTHER TAXES-OPERATING	7.3	8.8	10.9	10.7	9.3	51
TOTAL OPERATING EXPENSES	77.7	79.8	79.6	78.3	77.8	52
OPERATING INCOME	22.2	20.1	20.3	21.6	22.1	53
INTEREST EXPENSE						
PRETAX COVERAGE	4.6	3.8	2.9	3.1	3.0	54
NET INCOME-PERCENT OF OPERATING REVENUES	15.6	14.2	11.4	12.9	11.5	55
DIVIDEND APPROPRIATIONS, COMMON STOCK PERCENT OF EARNINGS AVAILABLE	59.8	55.8	65.2	50.8	62.3	56
PERCENT OF AVERAGE COMMON EQUITY EARNINGS AVAILABLE FOR COMMON STOCK	19.9	18.1	12.9	14.3	12.9	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK -

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

SYLVAN LAKE TELEPHONE COMPANY, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 864,064	$ 726,102	$ 487,577	$ 506,806	$ 478,180
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	979,799	923,705	766,168	691,641	691,889
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	83,400	222,200	101,100	201,900	154,200
4	INTEREST CAPITALIZED	27,000-	48,644-	4,482-	4,089-	14,579-
5	OTHER (NET)	7,204	98,452	21,253	41,989	27,140
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	1,907,467	1,921,815	1,371,616	1,438,247	1,336,830
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	40-	45,000-
9	TOTAL FUNDS FROM INTERNAL SOURCES	1,907,467	1,921,815	1,371,616	1,438,207	1,291,830
10	LESS DIVIDENDS PREFERRED	-	-	-	-	-
11	COMMON	516,763	405,760	318,218	257,642	270,199
12	NET FUNDS FROM INTERNAL SOURCES	1,390,704	1,516,055	1,053,398	1,180,565	1,021,631
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	1,894,000	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	1,894,000	-
20	OTHER SOURCES (NET)	266,668	1,017,653	107,307	-	95,715
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,657,372	$ 2,533,708	$ 1,160,705	$ 3,074,565	$ 1,117,346
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 1,563,342	$ 2,565,766	$ 908,668	$ 1,316,193	$ 783,744
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	1,563,342	2,565,766	908,668	1,316,193	783,744
28	LESS INTEREST CAPITALIZED	27,000	48,644	4,482	4,089	14,579
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,536,342	2,517,122	904,186	1,312,104	769,165
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	2,250	6,000	6,000	-	-
31	PREFERRED STOCK	-	-	-	79,766	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	6,000
34	OTHER (NET)	-	10,586	175,000	30,600	30,181
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	2,250	16,586	181,000	110,366	36,181
37	OTHER USES (NET)	118,780	-	75,519	1,652,095	312,000
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,657,372	$ 2,533,708	$ 1,160,705	$ 3,074,565	$ 1,117,346

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

SYLVAN LAKE TELEPHONE COMPANY, INC

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 2,363,530	$ 2,135,299	$ 1,899,139	$ 1,681,109	$ 1,772,494	1
ACCESS REVENUES	2,406,069	-				2
TOLL REVENUES	138,373	2,589,354	2,066,385	2,017,557	1,774,829	3
MISCELLANEOUS REVENUES	631,168	416,207	311,453	248,605	224,490	4
UNCOLLECTIBLE REVENUES-DR	27,198	30,129	26,957	25,925	24,678	5
TOTAL TELEPHONE OPERATING REVENUE	$ 5,511,942	$ 5,110,731	$ 4,250,020	$ 3,921,346	$ 3,747,135	6
TELEPHONE ACCESS LINES IN SERVICE	11,728	10,952	10,198	9,735	10,795	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 208.42	$ 201.92	$ 190.55	$ 163.77	$ 168.14	8
ACCESS REVENUE	212.18	-				9
TOLL REVENUE	12.20	244.86	207.33	196.55	168.36	10

*YEAR END AVERAGE

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 981,301	$ 967,661	$ 857,181	$ 772,481	$ 749,216	11
DEPRECIATION + AMORTIZATION EXPENSES	971,792	915,696	757,250	685,354	689,462	12
TRAFFIC EXPENSES	31,163	186,836	123,060	60,350	40,125	13
COMMERCIAL EXPENSES	505,828	409,787	357,268	349,351	345,588	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	593,424	510,493	360,382	312,016	239,873	16
OTHER OPERATING EXPENSES	257,242	293,400	216,187	224,895	238,148	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 3,340,750	$ 3,283,873	$ 2,671,328	$ 2,404,447	$ 2,302,412	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 14,739,693	$ 13,892,040	$ 13,312,947	$ 12,787,453	$ 11,986,983	19
PLANT UNDER CONSTRUCTION	939,136	302,190	399,673	153,215	206,129	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	2,013	2,013	2,013	2,013	2,013	22
PLANT ADJUSTMENTS	76,156	76,156	76,156	76,156	76,156	23
TOTAL TELEPHONE UTILITY PLANT	15,756,998	14,272,399	13,790,789	13,018,837	12,271,281	24
ACCUMULATED PROVISION FOR DEPR+AMORT	5,526,924	4,633,873	5,802,333	5,181,799	5,065,082	25
NET TELEPHONE PLANT	$ 10,230,074	$ 9,638,526	$ 7,988,456	$ 7,837,038	$ 7,206,199	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 13,892,040	$ 13,312,947	$ 12,787,453	$ 11,986,983	$ 11,011,909	27
ADDITIONS	1,018,976	2,661,973	743,283	1,248,764	1,119,949	28
RETIREMENTS	171,323	2,082,880	217,789	448,294	144,875	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 14,739,693	$ 13,892,040	$ 13,312,947	$ 12,787,453	$ 11,986,983	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

SYLVAN LAKE TELEPHONE COMPANY, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 5,511,942	$ 5,110,731	$ 4,250,020	$ 3,921,346	$ 3,747,135
2	ACCESS LINES (AVERAGE*)	11,340	10,575	9,967	10,265	10,542
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 420,844	$ 399,696	$ 407,862	$ 458,261	$ 474,008
4	OTHER OPERATION AND MAINTENANCE EXPENSES	1,948,114	1,968,481	1,506,216	1,260,832	1,138,942
5	DEPRECIATION AND AMORTIZATION EXPENSES	971,792	915,696	757,250	685,354	689,462
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	540,773	345,960	245,816	245,694	263,060
8	OTHER TAXES - OPERATING	405,754	451,899	467,218	421,977	350,807
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	387,373	388,110	398,022	354,443	363,458
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	837,292	640,889	467,836	494,785	467,398
12	TOTAL	$ 5,511,942	$ 5,110,731	$ 4,250,020	$ 3,921,346	$ 3,747,135
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	7.6	7.8	9.6	11.7	12.6
14	OTHER OPERATION AND MAINTENANCE EXPENSES	35.3	38.5	35.4	32.2	30.4
15	DEPRECIATION AND AMORTIZATION EXPENSES	17.6	17.9	17.8	17.5	18.4
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	9.8	6.8	5.8	6.3	7.0
18	OTHER TAXES - OPERATING	7.4	8.8	11.0	10.8	9.4
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.0	7.6	9.4	9.0	9.7
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	15.2	12.5	11.0	12.6	12.5
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 3.09	$ 3.15	$ 3.41	$ 3.72	$ 3.75
24	OTHER OPERATION AND MAINTENANCE EXPENSES	14.32	15.51	12.59	10.24	9.00
25	DEPRECIATION AND AMORTIZATION EXPENSES	7.14	7.22	6.33	5.56	5.45
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	3.97	2.73	2.06	1.99	2.08
28	OTHER TAXES - OPERATING	2.98	3.56	3.91	3.43	2.77
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.85	3.06	3.33	2.88	2.87
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	6.15	5.05	3.91	4.02	3.69
32	TOTAL	$ 40.51	$ 40.27	$ 35.54	$ 31.83	$ 29.62

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

TACONIC TELEPHONE CORPORATION

LINE NO.	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 28,601,874	$ 25,024,793	$ 24,330,378	$ 22,919,339	$ 21,887,662
2	ACCUMULATED PROVISION FOR DEPR+AMORT	10,930,263	9,769,192	9,020,762	8,210,307	7,233,829
3	NET TELEPHONE PLANT	17,671,611	15,255,601	15,309,616	14,709,032	14,653,833
4	INVESTMENTS IN AFFILIATED COMPANIES	600,010	400,010	299,290	474,454	411,829
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	1,726	1,726	1,726	1,726	1,726
7	OTHER INVESTMENTS AND FUNDS	48,378	41,378	36,378	36,378	36,378
8	TOTAL INVESTMENTS AND FUNDS	650,114	443,114	337,394	512,558	449,933
9	CASH AND WORKING FUNDS	297,304	340,094	304,962	281,345	159,817
10	SPECIAL CASH DEPOSITS	11,165	630,721	60,390	258,592	54,978
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	442,016	216,063	152,983	1,209	1,647
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	500,627	475,717	656,614	165,407	219,579
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	852,092	852,287	803,625	767,381	510,391
15	MATERIALS AND SUPPLIES*	258,847	345,937	317,384	275,728	264,177
16	PREPAYMENTS	222,475	200,725	260,453	178,956	166,545
17	OTHER CURRENT AND ACCRUED ASSETS	59,780	63,595	58,783	54,260	50,087
18	TOTAL CURRENT AND ACCRUED ASSETS	2,644,306	3,125,139	2,615,194	1,982,878	1,427,221
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	50,847	53,059	-	57,480	59,692
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	55,270	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	15,796	14,820	13,601	26,737	13,694
23	TOTAL DEFERRED DEBITS	66,643	67,879	68,871	84,217	73,386
24	TOTAL ASSETS AND OTHER DEBITS	21,032,674	$ 18,891,733	$ 18,331,075	$ 17,288,685	$ 16,604,373
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 677,719	$ 677,719	$ 677,719	$ 677,719	$ 677,719
26	PREFERRED CAPITAL STOCK	-	-	52,500	91,300	131,600
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	6,280,522	6,003,011	5,361,530	5,162,498	4,768,636
34	TOTAL PROPRIETARY CAPITAL	6,958,241	6,680,730	6,091,749	5,931,517	5,577,955
35	BONDS(LESS BONDS REACQUIRED)	8,777,829	8,846,905	8,922,775	8,996,771	9,056,046
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	8,777,829	8,846,905	8,922,775	8,996,771	9,056,046
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	20,698	-	17,934	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	2,070,496	279,131	836,156	178,288	409,767
41	CUSTOMERS DEPOSITS	94,148	98,613	121,332	110,130	87,015
42	ADVANCE BILLING AND PAYMENTS	12,730	7,267	7,267	7,267	7,267
43	TAXES ACCRUED	42,700	1,247	-	204,576	26,692
44	OTHER CURRENT AND ACCRUED LIABILITIES	29,580	25,973	8,555	51,075	-
45	TOTAL CURRENT AND ACCRUED LIABILITIES	2,270,352	412,231	991,244	551,336	530,741
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM DEFERRED INVESTMENT TAX CREDITS	1,112,069	1,280,372	993,780	860,681	799,460
48	OTHER DEFERRED CREDITS	-	-	-	-	-
49	TOTAL DEFERRED CREDITS	1,112,069	1,280,372	993,780	860,681	799,460
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	1,914,183	1,671,495	1,331,527	948,380	640,171
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 21,032,674	$ 18,891,733	$ 18,331,075	$ 17,288,685	$ 16,604,373
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	1 16	7 58	2 64	3 60	2 69
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	55 7	56 9	59 4	60 2	61 8
55	PREFERRED STOCK	-	-	0 3	0 6	0 8
56	COMMON STOCK+OTHER PAID-IN CAPITAL	4 3	4 3	4 5	4 5	4 6
57	RETAINED EARNINGS	39 9	38 6	35 7	34 5	32 5
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	30 6	35 3	36 6	39 2	41 3
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	38 2	39 0	37 0	35 8	33 0

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

TACONIC TELEPHONE CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 9,246,093	$ 9,488,477	$ 8,610,449	$ 8,330,925	$ 7,737,934	1
OPERATION AND MAINTENANCE EXPENSE	5,126,986	4,817,463	4,548,244	4,238,159	3,932,214	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	1,297,610	1,151,040	1,084,693	1,042,989	972,021	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	893,897	1,120,824	1,062,824	1,016,011	830,178	6
INCOME TAXES-OPERATING	377,748	275,022	162,045	224,760	182,412	7
OPERATING INCOME TAXES DEFERRED	217,473	356,511	396,080	323,661	280,569	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	16,543-	12,933-	15,452-	14,722-	9
TOTAL OPERATING EXPENSES	7,913,714	7,704,317	7,240,953	6,830,128	6,182,672	10
TOTAL TELEPHONE OPERATING INCOME	1,332,379	1,784,160	1,369,496	1,500,797	1,555,262	11
OTHER INCOME						
DIVIDEND INCOME	1,518	1,429	1,340	1,249	-	12
INTEREST INCOME	89,669	28,080	28,388	15,830	31,746	13
ALLOWANCE FOR CONSTRUCTION FUNDS	72,510	16,907	43,075	35,769	87,452	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	13,876-	13,831-	175,175-	49,946	275	17
TOTAL OTHER INCOME	149,821	32,585	102,372-	102,794	119,473	18
TOTAL INCOME	1,482,200	1,816,745	1,267,124	1,603,591	1,674,735	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES	14,313	1,685	2,282	1,175	3,132	22
TOTAL INCOME DEDUCTIONS	14,313	1,685	2,282	1,175	3,132	23
INCOME BEFORE INTEREST CHARGES	1,467,887	1,815,060	1,264,842	1,602,416	1,671,603	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	819,792	967,152	900,589	938,969	755,205	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	2,211	2,211	2,211	2,212	2,211	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	30,398	23,809	15,641	10,976	160,010	29
TOTAL INTEREST CHARGES	852,401	993,172	918,441	952,157	917,426	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	615,486	821,888	346,401	650,259	754,177	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	17,478	132,123	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	17,478	132,123	-	-	35
NET INCOME	$ 615,486	$ 839,366	$ 478,524	$ 650,259	$ 754,177	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 6,003,011	$ 5,462,250	$ 5,162,498	$ 4,768,636	$ 4,266,763	37
BALANCE TRANSFERRED FROM INCOME	615,486	839,366	478,524	650,259	754,177	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	-	1,312	4,106	6,045	8,210	42
-COMMON STOCK	337,975	297,293	275,386	250,352	244,094	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	6,280,522	6,003,011	5,361,530	5,162,498	4,768,636	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 6,280,522	$ 6,003,011	$ 5,361,530	$ 5,162,498	$ 4,768,636	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	55.4	50.7	52.8	50.8	50.8	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	14.0	12.1	12.5	12.5	12.5	49
TOTAL INCOME TAXES-OPERATING	6.4	6.5	6.3	6.4	5.8	50
OTHER TAXES-OPERATING	9.6	11.8	12.3	12.1	10.7	51
TOTAL OPERATING EXPENSES	85.5	81.1	84.0	81.9	79.9	52
OPERATING INCOME	14.4	18.8	15.9	18.0	20.0	53
INTEREST EXPENSE						
PRETAX COVERAGE	2.4	2.4	2.0	2.2	2.3	54
NET INCOME-PERCENT OF OPERATING REVENUES	6.6	8.8	5.5	7.8	9.7	55
DIVIDEND APPROPRIATIONS, COMMON STOCK PERCENT OF EARNINGS AVAILABLE	54.9	35.4	58.0	38.8	32.7	56
PERCENT OF AVERAGE COMMON EQUITY EARNINGS AVAILABLE FOR COMMON STOCK	9.0	13.1	7.9	11.4	14.3	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

TACONIC TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 615,486	$ 839,386	$ 346,401	$ 660,259	$ 754,177
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	2,197,339	1,153,251	1,086,905	1,045,201	974,233
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	74,385	626,560	516,246	369,430	467,515
4	INTEREST CAPITALIZED	72,510-	16,907-	43,075-	35,769-	87,452-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	2,814,700	2,602,270	1,906,477	2,029,121	2,108,473
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	132,123	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	2,814,700	2,602,270	2,038,600	2,029,121	2,108,473
10	LESS DIVIDENDS PREFERRED	-	1,313	4,106	6,045	8,210
11	COMMON	337,975	297,293	275,386	250,352	244,094
12	NET FUNDS FROM INTERNAL SOURCES	2,476,725	2,303,664	1,759,108	1,772,724	1,856,169
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	2,465,796
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	1,500,000	-	300,000	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	1,500,000	-	300,000	-	2,465,796
20	OTHER SOURCES (NET)	870,882	16,226	76,984	41,997	117,851
21						
22						
23	TOTAL FUNDS PROVIDED	$ 4,847,607	$ 2,319,890	$ 2,136,092	$ 1,814,721	$ 4,439,816
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 4,611,138	$ 1,097,025	$ 1,685,277	$ 1,098,188	$ 2,190,923
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	4,611,138	1,097,025	1,685,277	1,098,188	2,190,923
28	LESS INTEREST CAPITALIZED	72,510	16,907	43,075	35,769	87,452
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	4,538,628	1,080,118	1,642,202	1,062,419	2,103,471
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	69,076	75,870	73,996	59,275	-
31	PREFERRED STOCK	-	52,500	38,800	40,300	39,800
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	300,000	-	-	-
34	OTHER (NET)	-	-	-	-	800,000
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	69,076	428,370	112,796	99,575	839,800
37	OTHER USES (NET)	239,903	811,402	381,094	652,727	1,496,545
38						
39						
40	TOTAL FUNDS APPLIED	$ 4,847,607	$ 2,319,890	$ 2,136,092	$ 1,814,721	$ 4,439,816

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

TACONIC TELEPHONE CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO.
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 2,822,308	$ 2,662,188	$ 2,467,210	$ 2,262,429	$ 2,156,239	1
ACCESS REVENUES	2,965,613	3,343,526				2
TOLL REVENUES	1,480,066	1,942,787	5,012,417	5,767,586	5,290,768	3
MISCELLANEOUS REVENUES	2,060,850	1,582,755	1,159,822	321,210	327,427	4
UNCOLLECTIBLE REVENUES-DR	82,744	42,779	29,000	20,300	36,500	5
TOTAL TELEPHONE OPERATING REVENUE	$ 9,246,093	$ 9,488,477	$ 8,610,449	$ 8,330,925	$ 7,737,934	6
TELEPHONE ACCESS LINES IN SERVICE	18,768	18,250	18,060	17,310	16,498	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 152.48	$ 146.64	$ 139.61	$ 133.84	$ 132.28	8
ACCESS REVENUE	160.23	189.06				9
TOLL REVENUE	79.96	107.01	283.43	341.20	324.57	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 2,195,128	$ 2,163,972	$ 2,179,758	$ 2,010,692	$ 1,802,407	11
DEPRECIATION + AMORTIZATION EXPENSES	1,297,610	1,151,040	1,084,693	1,042,989	972,021	12
TRAFFIC EXPENSES	326,504	323,844	318,308	292,204	273,659	13
COMMERCIAL EXPENSES	586,000	584,389	542,974	556,432	542,234	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	1,108,485	956,519	819,496	740,683	765,489	16
OTHER OPERATING EXPENSES	910,869	788,739	687,708	638,148	548,425	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 6,424,596	$ 5,968,503	$ 5,632,937	$ 5,281,148	$ 4,904,235	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 25,442,668	$ 24,550,978	$ 23,911,450	$ 22,208,186	$ 21,178,783	19
PLANT UNDER CONSTRUCTION	2,836,793	177,027	122,140	414,365	332,003	20
PROPERTY HELD FOR FUTURE USE	322,413	296,788	296,788	296,788	376,876	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	28,601,874	25,024,793	24,330,378	22,919,339	21,887,662	24
ACCUMULATED PROVISION FOR DEPR+AMORT	10,930,263	9,769,192	9,020,762	8,210,307	7,233,829	25
NET TELEPHONE PLANT	$ 17,671,611	$ 15,255,601	$ 15,309,616	$ 14,709,032	$ 14,653,833	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 24,550,978	$ 23,911,450	$ 22,208,186	$ 21,178,783	$ 19,029,000	27
ADDITIONS	1,146,304	1,096,862	2,007,770	1,169,921	2,712,174	28
RETIREMENTS	205,658	457,334	304,506	140,518	298,276	29
TRANSFERS AND ADJUSTMENTS	48,956-	-	-	-	264,115-	30
PLANT IN SERVICE END OF YEAR	$ 25,442,668	$ 24,550,978	$ 23,911,450	$ 22,208,186	$ 21,178,783	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

TACONIC TELEPHONE CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 9,246,093	$ 9,488,477	$ 8,610,449	$ 8,330,925	$ 7,737,934
2	ACCESS LINES (AVERAGE*)	18,509	18,155	17,685	16,904	16,301
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 3,305,475	$ 2,868,738	$ 2,715,847	$ 2,488,683	$ 2,449,484
4	OTHER OPERATION AND MAINTENANCE EXPENSES	1,821,511	1,948,725	1,832,397	1,749,476	1,482,730
5	DEPRECIATION AND AMORTIZATION EXPENSES	1,297,610	1,151,040	1,084,693	1,042,989	972,021
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	595,221	614,990	545,192	532,969	448,259
8	OTHER TAXES - OPERATING	893,897	1,120,824	1,062,824	1,016,011	830,178
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	806,567	983,873	889,753	929,587	870,027
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	1,295	3,977	5,902	7,685
11	EARNINGS AVAILABLE FOR COMMON EQUITY	525,712	798,992	475,766	565,308	677,550
12	TOTAL	$ 9,246,093	$ 9,488,477	$ 8,610,449	$ 8,330,925	$ 7,737,934
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	35.7	30.2	31.5	29.9	31.7
14	OTHER OPERATION AND MAINTENANCE EXPENSES	19.7	20.5	21.3	21.0	19.2
15	DEPRECIATION AND AMORTIZATION EXPENSES	14.0	12.1	12.6	12.5	12.6
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	6.4	6.5	6.3	6.4	5.8
18	OTHER TAXES - OPERATING	9.7	11.8	12.3	12.2	10.7
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.7	10.4	10.3	11.2	11.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	0.1	0.1
21	EARNINGS AVAILABLE FOR COMMON EQUITY	5.7	8.4	5.5	6.8	8.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 14.88	$ 13.17	$ 12.80	$ 12.27	$ 12.52
24	OTHER OPERATION AND MAINTENANCE EXPENSES	8.20	8.94	8.63	8.62	7.58
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.84	5.28	5.11	5.14	4.97
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.68	2.82	2.57	2.63	2.29
28	OTHER TAXES - OPERATING	4.02	5.14	5.01	5.01	4.24
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.63	4.52	4.19	4.58	4.45
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	0.01	0.02	0.03	0.04
31	EARNINGS AVAILABLE FOR COMMON EQUITY	2.37	3.67	2.24	2.79	3.46
32	TOTAL	$ 41.63	$ 43.55	$ 40.57	$ 41.07	$ 39.56

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

TOWNSHIP TELEPHONE COMPANY, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 4,456,211	$ 4,175,182	$ 3,724,306	$ 3,540,804	$ 3,299,562
2	ACCUMULATED PROVISION FOR DEPR+AMORT	1,511,329	1,323,510	1,368,825	1,216,698	1,084,336
3	NET TELEPHONE PLANT	2,944,882	2,851,672	2,355,481	2,324,106	2,215,226
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	17,262	9,656	-	1,500	1,500
7	OTHER INVESTMENTS AND FUNDS	20,000	8,000	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	37,262	17,656	-	1,500	1,500
9	CASH AND WORKING FUNDS	181,588	44,707	103,875	15,661	11,307
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
12	NOTES+ACCTS REC FROM AFFILIATED CO S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	47,308	30,801	60,958	1,203	264
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	89,861	90,810	106,390	86,129	29,027
15	MATERIALS AND SUPPLIES*	49,999	35,182	35,319	28,911	21,835
16	PREPAYMENTS	93,722	81,764	83,288	72,444	53,725
17	OTHER CURRENT AND ACCRUED ASSETS	37,253	28,585	17,896	12,734	7,903
18	TOTAL CURRENT AND ACCRUED ASSETS	499,731	311,849	407,726	217,082	124,061
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	36,405	38,534	40,664	42,793	44,923
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	7,614	-	3,000	-	12,209
23	TOTAL DEFERRED DEBITS	44,019	38,534	43,664	42,793	57,132
24	TOTAL ASSETS AND OTHER DEBITS	3,525,894	$ 3,219,711	$ 2,806,871	$ 2,585,481	$ 2,397,919
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 48,400	$ 48,400	$ 48,400	$ 48,400	$ 48,400
26	PREFERRED CAPITAL STOCK	47,670	47,520	47,520	47,520	47,520
27	STOCK LIABILITY FOR CONVERSION	100	250	250	250	250
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	30,339	30,339	30,339	30,339	30,339
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	714,062	500,672	411,204	262,563	147,937
34	TOTAL PROPRIETARY CAPITAL	840,571	627,181	537,713	389,072	274,446
35	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	1,756,050	1,812,461	1,866,688	1,917,434	1,858,817
38	TOTAL LONG-TERM DEBT	1,756,050	1,812,461	1,866,688	1,917,434	1,858,817
39	NOTES+ACCTS PAY TO AFFILIATED CO S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	462,700	496,614	162,674	129,703	184,028
41	CUSTOMERS DEPOSITS	780	1,020	7,904	8,706	9,351
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	12,005	2,545	1,748	2,066	750
44	OTHER CURRENT AND ACCRUED LIABILITIES	31,893	33,434	32,070	31,692	18,598
45	TOTAL CURRENT AND ACCRUED LIABILITIES	507,378	533,613	204,396	172,167	212,727
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	123,451	84,545	92,210	50,024	19,492
48	OTHER DEFERRED CREDITS	45,863	2,900	-	1,250	1,250
49	TOTAL DEFERRED CREDITS	169,314	87,445	92,210	51,274	20,742
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	252,581	159,011	105,864	55,534	31,187
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,525,894	$ 3,219,711	$ 2,806,871	$ 2,585,481	$ 2,397,919
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	0.98	0.58	1.99	1.26	0.58
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	67.6	74.2	77.6	83.1	87.1
55	PREFERRED STOCK	1.8	1.9	1.9	2.0	2.2
56	COMMON STOCK+OTHER PAID-IN CAPITAL	3.0	3.2	3.2	3.4	3.7
57	RETAINED EARNINGS	27.4	20.5	17.1	11.3	6.9
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	39.4	43.4	50.1	54.1	56.3
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	33.9	31.6	36.7	34.3	32.8

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

TOWNSHIP TELEPHONE COMPANY, INC.

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES	$ 1,378,522	$ 1,102,942	$ 1,121,504	$ 939,917	$ 774,939	1
OPERATION AND MAINTENANCE EXPENSE	585,128	548,796	486,025	417,600	389,520	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	189,743	167,358	156,765	145,054	125,505	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	144,702	143,289	145,886	131,482	98,825	6
INCOME TAXES-OPERATING	55,384	-	60,020	36,699	5,840	7
OPERATING INCOME TAXES DEFERRED	93,570	53,779	44,430	37,400	19,375	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	633-	-	7,153-	1,564-	9
TOTAL OPERATING EXPENSES	1,068,527	912,589	893,126	761,082	637,501	10
TOTAL TELEPHONE OPERATING INCOME	309,995	190,353	228,378	178,835	137,438	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	2,033	2,022	1,743	-	-	13
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	4,563	4,223	3,038	-	-	16
MISCELLANEOUS INCOME	13,196	9,304	7,664	6,759	1,805	17
TOTAL OTHER INCOME	19,792	15,549	12,445	6,759	1,805	18
TOTAL INCOME	329,787	205,902	240,823	185,594	139,243	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	2,752	-	116	-	-	21
MISCELLANEOUS INCOME CHARGES	7,834	11,783	12,395	14,748	13,015-	22
TOTAL INCOME DEDUCTIONS	10,586	11,783	12,511	14,748	13,015-	23
INCOME BEFORE INTEREST CHARGES	319,201	194,119	228,312	170,[illegible]46	152,258	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	65,846	67,431	68,886	68,885	63,371	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	2,129	2,129	2,130	2,129	2,087	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	34,969	32,225	5,884	5,993	6,140	29
TOTAL INTEREST CHARGES	102,944	101,785	76,900	77,007	71,598	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	216,257	92,334	151,412	93,839	80,660	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	95	30,579	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	12,826-	27,090-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	5,900-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	95	23,653	27,090-	35
NET INCOME	$ 216,257	$ 92,334	$ 151,507	$ 117,492	$ 53,570	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$ 500,672	$ 411,204	$ 262,563	$ 147,937	$ 97,234	37
BALANCE TRANSFERRED FROM INCOME	216,257	92,334	151,507	117,492	53,570	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	2,867	2,866	2,866	2,866	2,867	42
-COMMON STOCK	-	-	-	-	-	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	714,062	500,672	411,204	262,563	147,937	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$ 714,062	$ 500,672	$ 411,204	$ 262,563	$ 147,937	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	42.4	49.7	43.3	44.4	50.2	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	13.7	15.1	13.9	15.4	16.1	49
TOTAL INCOME TAXES-OPERATING	10.8	4.8	9.3	7.1	3.1	50
OTHER TAXES-OPERATING	10.4	12.9	13.0	13.9	12.7	51
TOTAL OPERATING EXPENSES	77.5	82.7	79.6	80.9	82.2	52
OPERATING INCOME	22.4	17.2	20.3	19.0	17.7	53
INTEREST EXPENSE						
PRETAX COVERAGE	4.5	2.4	4.2	3.0	2.4	54
NET INCOME-PERCENT OF OPERATING REVENUES	15.6	8.3	13.5	12.5	6.9	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	-	-	-	-	-	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	31.0	16.7	35.7	40.3	25.1	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

TOWNSHIP TELEPHONE COMPANY, INC

LINE NO.	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 216,257	$ 92,334	$ 151,412	$ 93,839	$ 80,660
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	208,137	184,247	172,846	159,920	140,496
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	132,476	45,482	92,516	54,879	21,813
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET):	286	58,053	7,758	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	557,156	380,116	424,532	308,638	242,969
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	95	23,653	27,090-
9	TOTAL FUNDS FROM INTERNAL SOURCES	557,156	380,116	424,627	332,291	215,879
10	LESS DIVIDENDS PREFERRED	2,867	2,866	2,866	2,866	2,867
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	554,289	377,250	421,761	329,425	213,012
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	108,000	62,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	41,131	303,420	-	-	47,878
17	OTHER (NET):	38,500	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	79,631	303,420	-	108,000	109,878
20	OTHER SOURCES (NET)	287	124,674	250	13,360	29,089
21						
22						
23	TOTAL FUNDS PROVIDED	$ 634,207	$ 805,344	$ 422,011	$ 450,785	$ 351,979
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS:					
24	TELEPHONE PLANT	$ 301,799	$ 743,117	$ 209,850	$ 267,822	$ 272,457
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	301,799	743,117	209,850	267,822	272,457
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	301,799	743,117	209,850	267,822	272,457
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	56,411	54,227	50,746	49,382	45,341
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	14,359	13,070	-
34	OTHER (NET):	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	56,411	54,227	65,105	62,452	45,341
37	OTHER USES (NET)	275,997	8,000	147,056	120,511	34,181
38						
39						
40	TOTAL FUNDS APPLIED	$ 634,207	$ 805,344	$ 422,011	$ 450,785	$ 351,979

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

TOWNSHIP TELEPHONE COMPANY, INC.

TELEPHONE OPERATING REVENUES

ITEM	1986	1985	1984	1983	1982	LINE NO.
OPERATING REVENUES						
LOCAL REVENUES	$ 555,054	$ 407,913	$ 393,392	$ 372,798	$ 352,839	1
ACCESS REVENUES	367,917	243,418				2
TOLL REVENUES	387,962	403,939	681,849	558,065	417,319	3
MISCELLANEOUS REVENUES	77,530	59,866	48,957	15,838	15,648	4
UNCOLLECTIBLE REVENUES-DR	9,931	12,194	2,694	6,784	10,867	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,378,522	$ 1,102,942	$ 1,121,504	$ 939,917	$ 774,939	6
TELEPHONE ACCESS LINES IN SERVICE	4,704	4,436	4,221	4,060	3,923	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 121.46	$ 94.24	$ 95.01	$ 93.40	$ 91.96	8
ACCESS REVENUE	80.51	58.79				9
TOLL REVENUE	84.89	93.32	164.68	139.81	108.76	10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM	1986	1985	1984	1983	1982	LINE NO.
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 249,115	$ 234,472	$ 205,839	$ 168,339	$ 155,810	11
DEPRECIATION + AMORTIZATION EXPENSES	189,743	167,358	156,765	145,064	125,505	12
TRAFFIC EXPENSES	21,901	28,780	25,925	23,052	22,399	13
COMMERCIAL EXPENSES	66,053	66,218	48,259	50,182	58,796	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	116,484	107,975	101,667	93,332	88,485	16
OTHER OPERATING EXPENSES	131,575	111,351	104,335	82,695	64,030	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 774,871	$ 716,154	$ 642,790	$ 562,554	$ 515,025	18

TELEPHONE UTILITY PLANT

ITEM	1986	1985	1984	1983	1982	LINE NO.
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 4,444,293	$ 4,113,986	$ 3,652,318	$ 3,507,199	$ 3,216,585	19
PLANT UNDER CONSTRUCTION	6,442	50,244	55,560	11,701	55,597	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	5,476	10,952	-	-	-	22
PLANT ADJUSTMENTS	-	-	16,428	21,904	27,380	23
TOTAL TELEPHONE UTILITY PLANT	4,456,211	4,175,182	3,724,306	3,540,804	3,299,562	24
ACCUMULATED PROVISION FOR DEPR+AMORT	1,511,329	1,323,510	1,368,825	1,216,698	1,084,336	25
NET TELEPHONE PLANT	$ 2,944,882	$ 2,851,672	$ 2,355,481	$ 2,324,106	$ 2,215,226	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 4,113,986	$ 3,652,320	$ 3,507,199	$ 3,216,585	$ 2,950,345	27
ADDITIONS	345,838	748,431	165,991	311,718	293,319	28
RETIREMENTS	15,294	276,994	20,870	21,104	27,079	29
TRANSFERS AND ADJUSTMENTS	237-	9,771-	-	-	-	30
PLANT IN SERVICE END OF YEAR	$ 4,444,293	$ 4,113,986	$ 3,652,320	$ 3,507,199	$ 3,216,565	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

TOWNSHIP TELEPHONE COMPANY, INC.

LINE NO.	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 1,378,522	$ 1,102,942	$ 1,121,504	$ 939,917	$ 774,939
2	ACCESS LINES (AVERAGE*)	4,570	4,329	4,141	3,992	3,837
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 356,436	$ 315,568	$ 283,709	$ 243,527	$ 207,886
4	OTHER OPERATION AND MAINTENANCE EXPENSES	228,692	233,228	202,316	174,073	181,634
5	DEPRECIATION AND AMORTIZATION EXPENSES	189,743	167,358	156,765	145,054	125,505
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	148,984	53,146	104,450	66,945	23,651
8	OTHER TAXES - OPERATING	144,702	143,289	145,886	131,482	98,825
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	102,944	101,785	76,900	77,007	71,598
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	2,867	2,866	2,866	2,866	2,867
11	EARNINGS AVAILABLE FOR COMMON EQUITY	204,184	85,702	148,612	98,962	62,973
12	TOTAL	$ 1,378,522	$ 1,102,942	$ 1,121,504	$ 939,917	$ 774,939
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	25.9	28.6	25.3	25.9	26.8
14	OTHER OPERATION AND MAINTENANCE EXPENSES	16.6	21.1	18.0	18.5	23.4
15	DEPRECIATION AND AMORTIZATION EXPENSES	13.8	15.2	14.0	15.4	16.2
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	10.8	4.8	9.3	7.1	3.1
18	OTHER TAXES - OPERATING	10.5	13.0	13.0	14.0	12.8
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.5	9.2	6.9	8.2	9.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.2	0.3	0.3	0.3	0.4
21	EARNINGS AVAILABLE FOR COMMON EQUITY	14.8	7.8	13.3	10.5	8.1
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 6.50	$ 6.08	$ 5.71	$ 5.08	$ 4.51
24	OTHER OPERATION AND MAINTENANCE EXPENSES	4.17	4.49	4.07	3.63	3.94
25	DEPRECIATION AND AMORTIZATION EXPENSES	3.46	3.22	3.16	3.03	2.73
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	2.72	1.02	2.10	1.40	0.51
28	OTHER TAXES - OPERATING	2.64	2.76	2.94	2.75	2.15
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1.88	1.96	1.55	1.61	1.55
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.05	0.06	0.06	0.06	0.06
31	EARNINGS AVAILABLE FOR COMMON EQUITY	3.72	1.65	2.99	2.07	1.37
32	TOTAL	$ 25.14	$ 21.23	$ 22.57	$ 19.62	$ 16.83

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

TRUMANSBURG HOME TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 6,256,502	$ 5,876,331	$ 5,488,192	$ 5,036,616	$ 4,753,701
2	ACCUMULATED PROVISION FOR DEPR+AMORT	2,501,056	2,276,620	1,999,753	1,831,988	1,667,133
3	NET TELEPHONE PLANT	3,755,446	3,599,711	3,488,439	3,204,628	3,086,568
4	INVESTMENTS IN AFFILIATED COMPANIES	102,394	94,070	83,993	56,042	18,875
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	11,890	4,233	5,236	3,094	-
7	OTHER INVESTMENTS AND FUNDS	20,000	8,000	3,000	-	-
8	TOTAL INVESTMENTS AND FUNDS	134,284	106,303	92,229	59,136	18,875
9	CASH AND WORKING FUNDS	666,749	553,149	151,724	262,855	64,660
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	176,568	69,269	471,253	58,146	53,354
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	41,339	70,243	4,890	2,378	1,850
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	429,593	457,345	132,260	76,959	63,561
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	183,956	-	274,527	221,528	173,172
15	MATERIALS AND SUPPLIES*	243,892	146,212	140,438	115,078	113,399
16	PREPAYMENTS	23,036	10,553	6,339	14,846	14,030
17	OTHER CURRENT AND ACCRUED ASSETS	164,468	180,517	137,676	155,444	122,343
18	TOTAL CURRENT AND ACCRUED ASSETS	1,929,600	1,487,288	1,319,107	907,234	606,369
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	3,754	4,451	5,149	5,847	6,545
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	22,768	26,419	9,461	18,450	9,286
23	TOTAL DEFERRED DEBITS	26,522	30,870	14,610	24,297	15,831
24	TOTAL ASSETS AND OTHER DEBITS	5,845,852	$ 5,224,172	$ 4,914,385	$ 4,195,295	$ 3,727,643
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 240,000	$ 240,000	$ 240,000	$ 240,000	$ 240,000
26	PREFERRED CAPITAL STOCK	245,000	245,000	245,000	245,000	245,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	42,600	42,600	42,600	42,600	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	3,126,022	2,741,769	2,401,085	1,881,712	1,550,512
34	TOTAL PROPRIETARY CAPITAL	3,653,622	3,269,369	2,928,685	2,409,312	2,035,512
35	BONDS(LESS BONDS REACQUIRED)	678,500	683,500	688,500	693,500	698,500
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	678,500	683,500	688,500	693,500	698,500
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	104,330	206,062	28,669	49,009	57,612
40	OTHER NOTES AND ACCOUNTS PAYABLE	266,817	127,437	255,802	195,108	287,283
41	CUSTOMERS DEPOSITS	7,440	-	15,342	15,835	11,310
42	ADVANCE BILLING AND PAYMENTS	30,607	28,558	29,917	21,580	19,147
43	TAXES ACCRUED	139,722	48,863	184,664	140,379	38,193
44	OTHER CURRENT AND ACCRUED LIABILITIES	50,394	28,159	32,008	29,426	21,328
45	TOTAL CURRENT AND ACCRUED LIABILITIES	599,310	439,079	546,402	451,337	434,873
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	249,303	258,648	245,168	218,818	194,748
48	OTHER DEFERRED CREDITS	21,617	-	1,934	3,869	5,803
49	TOTAL DEFERRED CREDITS	270,920	258,648	247,102	222,687	200,551
50	OPERATING RESERVES	45,964	-	2,500	2,500	4,000
51	ACCUMULATED DEFERRED INCOME TAXES	597,536	563,576	501,196	415,959	354,207
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 5,845,852	$ 5,224,172	$ 4,914,385	$ 4,195,295	$ 3,727,643
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	3.22	3.39	2.41	2.01	1.39
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	15.6	17.2	19.0	22.3	25.5
55	PREFERRED STOCK	5.6	6.1	6.7	7.8	8.9
56	COMMON STOCK+OTHER PAID-IN CAPITAL	6.5	7.1	7.8	9.1	8.7
57	RETAINED EARNINGS	72.1	69.3	66.3	60.6	56.7
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	10.8	11.6	12.5	13.7	14.6
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	39.9	38.7	36.4	36.3	35.0

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

TRUMANSBURG HOME TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES $	2,795,918 $	2,413,343 $	2,499,072 $	2,088,565 $	1,720,210	1
OPERATION AND MAINTENANCE EXPENSE	1,409,522	1,148,642	1,035,031	968,091	942,119	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	347,707	307,528	220,916	208,858	187,820	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	270,921	278,273	256,260	217,885	188,609	6
INCOME TAXES-OPERATING	240,849	156,830	271,750	170,553	26,606	7
OPERATING INCOME TAXES DEFERRED	33,478	62,257	85,332	61,753	54,813	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	-	-	-	-	-	9
TOTAL OPERATING EXPENSES	2,302,477	1,953,530	1,869,289	1,627,250	1,399,967	10
TOTAL TELEPHONE OPERATING INCOME	493,441	459,813	629,783	461,315	320,243	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	77,966	58,641	67,978	27,466	25,375	13
ALLOWANCE FOR CONSTRUCTION FUNDS	4,623	5,710	1,986	2,448	5,141	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	20-	526	1,191	1,039	557	16
MISCELLANEOUS INCOME	19,504	10,131	19,035	13,413	15,531	17
TOTAL OTHER INCOME	102,073	75,008	90,189	44,366	46,604	18
TOTAL INCOME	595,514	534,821	719,972	505,681	366,847	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	2,573	2,199	2,549	1,030	981	20
INCOME TAXES-NONOPERATING	33,841	25,485	31,504	12,337	11,362	21
MISCELLANEOUS INCOME CHARGES	5,410	1,816	1,904	1,923	1,452	22
TOTAL INCOME DEDUCTIONS	41,824	29,500	35,957	15,290	13,795	23
INCOME BEFORE INTEREST CHARGES	553,690	505,321	684,015	490,391	353,052	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	80,890	89,325	89,535	90,075	81,870	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	698	698	698	699	777	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	11,389	12,000	14,904	11,457	18,056	29
TOTAL INTEREST CHARGES	92,977	102,023	105,137	102,231	100,703	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	460,713	403,298	578,878	388,160	252,349	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	-	-	-	-	-	35
NET INCOME $	460,713 $	403,298 $	578,878 $	388,160 $	252,349	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	2,741,769 $	2,401,087 $	1,881,712 $	1,550,512 $	1,348,421	37
BALANCE TRANSFERRED FROM INCOME	460,713	403,298	578,878	388,160	252,349	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	15,701	15,700	15,700	15,700	15,700	42
-COMMON STOCK	60,759	46,912	43,803	41,260	34,558	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	3,126,022	2,741,769	2,401,087	1,881,712	1,550,512	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR $	3,126,022 $	2,741,769 $	2,401,085 $	1,881,712 $	1,550,512	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	50.4	47.5	41.4	46.3	54.7	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	12.4	12.7	8.8	10.0	10.9	49
TOTAL INCOME TAXES-OPERATING	9.8	9.1	14.3	11.1	4.7	50
OTHER TAXES-OPERATING	9.6	11.5	10.2	10.4	10.9	51
TOTAL OPERATING EXPENSES	82.3	80.9	74.7	77.9	81.3	52
OPERATING INCOME	17.6	19.0	25.2	22.0	18.6	53
INTEREST EXPENSE PRETAX COVERAGE	9.3	7.4	10.2	7.2	4.4	54
NET INCOME-PERCENT OF OPERATING REVENUES	16.4	16.7	23.1	18.5	14.6	55
DIVIDEND APPROPRIATIONS, COMMON STOCK PERCENT OF EARNINGS AVAILABLE	13.6	12.1	7.7	11.0	14.6	56
PERCENT OF AVERAGE COMMON EQUITY EARNINGS AVAILABLE FOR COMMON STOCK	13.6	13.5	23.2	18.8	14.0	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

TRUMANSBURG HOME TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 460,713	$ 403,298	$ 578,878	$ 388,160	$ 252,349
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	372,879	331,016	242,856	230,337	209,070
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	14,615	85,860	111,587	86,751	84,993
4	INTEREST CAPITALIZED	4,623-	5,710-	1,985-	2,448-	5,141-
5	OTHER (NET)	-	40,241-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	843,584	774,223	931,336	702,800	541,271
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	843,584	774,223	931,336	702,800	541,271
10	LESS DIVIDENDS PREFERRED	15,701	15,700	15,700	15,700	15,700
11	COMMON	60,759	46,912	43,803	41,260	34,558
12	NET FUNDS FROM INTERNAL SOURCES	767,124	711,611	871,833	645,840	491,013
	EXTERNAL SOURCES					
13	LONG TERM DEBT	488,500	-	-	-	488,500
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	13,080	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	488,500	-	-	13,080	488,500
20	OTHER SOURCES (NET)	-	13,035	29,909	13,159	2,439
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,255,624	$ 724,646	$ 901,742	$ 672,079	$ 981,952
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 528,217	$ 451,667	$ 511,256	$ 331,695	$ 348,297
25	NON-UTILITY PLANT	7,657	-	-	-	-
26	OTHER	-	-	12,951	37,167	10,795
27	TOTAL GROSS ADDITIONS	535,874	451,667	524,207	368,862	359,092
28	LESS INTEREST CAPITALIZED	4,623	5,710	1,985	2,448	5,141
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	531,251	445,957	522,222	366,414	353,951
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	493,500	5,000	5,000	5,000	493,750
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	4,650	950	-	17,550
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	493,500	9,650	5,950	5,000	511,300
37	OTHER USES (NET)	230,873	269,039	373,570	300,665	116,701
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,255,624	$ 724,646	$ 901,742	$ 672,079	$ 981,952

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

TRUMANSBURG HOME TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 921,403	$ 905,751	$ 866,196	$ 848,427	$ 768,014	1
ACCESS REVENUES	956,911	887,474				2
TOLL REVENUES	615,658	383,406	1,549,575	1,170,425	887,010	3
MISCELLANEOUS REVENUES	324,946	245,713	98,301	79,713	72,186	4
UNCOLLECTIBLE REVENUES-DR	23,000	9,000	15,000	10,000	7,000	5
TOTAL TELEPHONE OPERATING REVENUE	$ 2,795,918	$ 2,413,343	$ 2,499,072	$ 2,088,565	$ 1,720,210	6
TELEPHONE ACCESS LINES IN SERVICE	5,442	5,379	5,146	4,979	4,843	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 170.30	$ 172.13	$ 171.12	$ 172.76	$ 159.27	8
ACCESS REVENUE	176.86	175.32				9
TOLL REVENUE	113.79	72.86	306.12	238.33	183.95	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 680,749	$ 557,676	$ 522,470	$ 481,420	$ 476,950	11
DEPRECIATION + AMORTIZATION EXPENSES	347,707	307,528	220,916	208,868	187,820	12
TRAFFIC EXPENSES	38,621	34,591	31,903	21,772	24,120	13
COMMERCIAL EXPENSES	241,615	214,924	201,563	204,054	201,976	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	219,652	194,363	172,706	139,988	119,157	16
OTHER OPERATING EXPENSES	228,885	147,088	106,390	120,857	119,916	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,757,229	$ 1,456,170	$ 1,255,947	$ 1,176,959	$ 1,129,939	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 6,051,676	$ 5,760,193	$ 5,371,035	$ 5,007,558	$ 4,685,405	19
PLANT UNDER CONSTRUCTION	204,826	116,138	93,900	29,058	68,296	20
PROPERTY HELD FOR FUTURE USE	-	-	23,257	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	6,256,502	5,876,331	5,488,192	5,036,616	4,753,701	24
ACCUMULATED PROVISION FOR DEPR+AMORT	2,501,056	2,276,620	1,999,753	1,831,988	1,667,133	25
NET TELEPHONE PLANT	$ 3,755,446	$ 3,599,711	$ 3,488,439	$ 3,204,628	$ 3,086,568	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 5,760,193	$ 5,371,035	$ 5,007,558	$ 4,685,405	$ 4,357,431	27
ADDITIONS	439,529	429,429	423,157	370,933	354,811	28
RETIREMENTS	148,046	40,271	59,680	48,780	34,959	29
TRANSFERS AND ADJUSTMENTS	-	-	-	-	8,122	30
PLANT IN SERVICE END OF YEAR	$ 6,051,676	$ 5,760,193	$ 5,371,035	$ 5,007,558	$ 4,685,405	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

TRUMANSBURG HOME TELEPHONE COMPANY

LINE NO.	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 2,796,918	$ 2,413,343	$ 2,499,072	$ 2,088,565	$ 1,720,210
2	ACCESS LINES (AVERAGE*)	5,411	5,262	5,062	4,911	4,822
	DOLLAR AMOUNTS					
3	WAGES AND BENEFITS	$ 894,805	$ 776,687	$ 649,251	$ 658,275	$ 653,986
4	OTHER OPERATION AND MAINTENANCE EXPENSES	514,917	371,955	385,780	309,816	288,133
5	DEPRECIATION AND AMORTIZATION EXPENSES	347,707	307,528	220,916	208,868	187,820
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	274,327	219,087	357,082	232,406	81,419
8	OTHER TAXES - OPERATING	270,921	278,273	256,260	217,885	188,609
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	92,200	100,881	104,847	101,739	99,305
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	15,550	15,500	15,648	15,614	15,433
11	EARNINGS AVAILABLE FOR COMMON EQUITY	385,691	343,432	509,288	343,962	205,505
12	TOTAL	$ 2,796,918	$ 2,413,343	$ 2,499,072	$ 2,088,565	$ 1,720,210
	PERCENT OF REVENUES					
13	WAGES AND BENEFITS	32.0	32.2	26.0	31.5	38.0
14	OTHER OPERATION AND MAINTENANCE EXPENSES	18.4	15.4	15.4	14.8	16.7
15	DEPRECIATION AND AMORTIZATION EXPENSES	12.4	12.7	8.8	10.0	10.9
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	9.8	9.1	14.3	11.1	4.7
18	OTHER TAXES - OPERATING	9.7	11.5	10.3	10.4	11.0
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	3.3	4.2	4.2	4.9	5.8
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.6	0.6	0.6	0.7	0.9
21	EARNINGS AVAILABLE FOR COMMON EQUITY	13.8	14.2	20.4	16.5	11.9
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	DOLLARS PER AVERAGE ACCESS LINE PER MONTH					
23	WAGES AND BENEFITS	$ 13.78	$ 12.30	$ 10.69	$ 11.17	$ 11.30
24	OTHER OPERATION AND MAINTENANCE EXPENSES	7.93	5.89	6.35	5.26	4.98
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.36	4.87	3.64	3.54	3.25
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	4.23	3.47	5.88	3.94	1.41
28	OTHER TAXES - OPERATING	4.17	4.41	4.22	3.70	3.26
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1.42	1.60	1.73	1.73	1.72
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.24	0.25	0.26	0.26	0.27
31	EARNINGS AVAILABLE FOR COMMON EQUITY	5.94	5.44	8.38	5.84	3.55
32	TOTAL	$ 43.08	$ 38.22	$ 41.14	$ 35.44	$ 29.73

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

VERNON TELEPHONE COMPANY, INC

LINE NO.	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 3,399,613	$ 3,357,088	$ 3,213,037	$ 2,984,585	$ 2,911,368
2	ACCUMULATED PROVISION FOR DEPR+AMORT	909,098	715,297	1,185,893	1,042,015	899,829
3	NET TELEPHONE PLANT	2,490,515	2,641,791	2,027,144	1,942,570	2,011,539
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	-
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	-	-
6	MISCELLANEOUS PHYSICAL PROPERTY	38,556	38,556	11,957	11,957	-
7	OTHER INVESTMENTS AND FUNDS	45,500	18,500	18,500	18,500	18,500
8	TOTAL INVESTMENTS AND FUNDS	84,056	57,056	30,457	30,457	18,500
9	CASH AND WORKING FUNDS	111,047	25,098	7,194	53,430	28,507
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	108,002	5,287	77,378	135,244	211,183
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	157,553	183,721	81,557	56,118	18,293
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	96,643	108,317	98,748	119,087	113,237
15	MATERIALS AND SUPPLIES*	170,752	170,897	150,472	116,587	80,620
16	PREPAYMENTS	50,676	45,713	42,830	35,133	33,239
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	694,673	539,033	458,179	515,599	485,079
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	4,966	5,165	5,352	37-	5,758
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	5,560	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	-	-	-
23	TOTAL DEFERRED DEBITS	4,966	5,165	5,352	5,523	5,758
24	TOTAL ASSETS AND OTHER DEBITS	3,274,210	$ 3,243,045	$ 2,521,142	$ 2,494,149	$ 2,520,876
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 70,000	$ 70,000	$ 70,000	$ 70,000	$ 70,000
26	PREFERRED CAPITAL STOCK	86,500	86,500	88,500	88,800	96,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	740,093	646,890	520,997	584,615	555,546
34	TOTAL PROPRIETARY CAPITAL	896,593	803,390	679,497	743,415	721,546
35	BONDS(LESS BONDS REACQUIRED)	2,250,910	2,192,823	1,548,671	1,574,632	1,599,295
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	2,250,910	2,192,823	1,548,671	1,574,632	1,599,295
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	7,930	103,231	126,321	-	51,913
41	CUSTOMERS DEPOSITS	-	-	1,695	19,567	-
42	ADVANCE BILLING AND PAYMENTS	-	4,266	6,128	-	6,720
43	TAXES ACCRUED	4,998-	3,954	5,616	6,313	4,044-
44	OTHER CURRENT AND ACCRUED LIABILITIES	22,324	22,373	27,931	38,258	27,044
45	TOTAL CURRENT AND ACCRUED LIABILITIES	25,256	133,824	167,689	64,138	81,633
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	101,234	94,535	101,755	108,975	118,371
48	OTHER DEFERRED CREDITS	15,715	8,004	3,223	832	842-
49	TOTAL DEFERRED CREDITS	116,949	102,539	104,978	109,807	117,529
50	OPERATING RESERVES	-	18,400	22,845	-	6,000-
51	ACCUMULATED DEFERRED INCOME TAXES	15,498-	7,931-	2,338-	2,157	6,873
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,274,210	$ 3,243,045	$ 2,521,142	$ 2,494,149	$ 2,520,876
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	27.51	4.03	2.73	8.04	5.94
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	71.5	73.1	69.5	67.9	68.9
55	PREFERRED STOCK	2.7	2.8	3.9	3.8	4.0
56	COMMON STOCK+OTHER PAID-IN CAPITAL	2.2	2.3	3.1	3.0	3.0
57	RETAINED EARNINGS	23.5	21.6	23.3	25.2	23.9
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	66.2	65.3	48.1	52.7	54.9
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	26.7	21.3	36.9	34.9	30.9

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

VERNON TELEPHONE COMPANY, INC

ITEM		1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS							
TELEPHONE OPERATING INCOME							
OPERATING REVENUES	$	1,461,761 $	1,481,191 $	1,167,653 $	1,118,355 $	1,074,531	1
OPERATION AND MAINTENANCE EXPENSE		905,112	848,208	821,852	698,802	705,248	2
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	3
DEPRECIATION		168,237	164,424	135,026	131,252	129,849	4
AMORTIZATION		-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING		129,704	134,561	143,903	128,128	120,126	6
INCOME TAXES-OPERATING		578	7,220-	7,220-	9,396-	6,170-	7
OPERATING INCOME TAXES DEFERRED		7,364-	6,006-	4,023-	2,227-	1,580-	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING		204-	413	472-	2,489-	4,018-	9
TOTAL OPERATING EXPENSES		1,196,063	1,134,380	1,089,066	944,070	943,455	10
TOTAL TELEPHONE OPERATING INCOME		265,698	346,811	78,587	174,285	131,076	11
OTHER INCOME							
DIVIDEND INCOME		425	425	400	350	350	12
INTEREST INCOME		3,054	3,225	12,158	13,775	19,944	13
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	-	-	-	14
INCOME FROM SINKING AND OTHER FUNDS		-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY		13,202	10,556	-	-	-	16
MISCELLANEOUS INCOME		45,173-	65,967-	35,450-	48,994-	15,765-	17
TOTAL OTHER INCOME		28,492-	51,761-	22,892-	34,869-	4,529	18
TOTAL INCOME		237,206	295,050	55,695	139,416	135,605	19
INCOME DEDUCTIONS							
TAXES OTHER THAN INC. TAXES-NONOPERATING		-	-	-	-	-	20
INCOME TAXES-NONOPERATING		-	-	-	-	-	21
MISCELLANEOUS INCOME CHARGES		5,578	5,337	4,755	1,388	1,720	22
TOTAL INCOME DEDUCTIONS		5,578	5,337	4,755	1,388	1,720	23
INCOME BEFORE INTEREST CHARGES		231,628	289,713	50,940	138,028	133,885	24
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		119,468	89,330	86,052	87,412	88,671	25
AMORT. OF DEBT DISCOUNT AND EXPENSE		198	198	198	198	198	26
AMORT. OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES		-	-	-	-	-	28
OTHER INTEREST EXPENSE		3,248	62,593	459	222	-	29
TOTAL INTEREST CHARGES		122,914	152,121	86,709	87,832	88,869	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS		108,714	137,592	35,769-	50,196	45,016	31
EXTRAORDINARY/DELAYED ITEMS							
EXTRAORDINARY/DELAYED INCOME CREDITS		-	-	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES		-	-	5,730-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS		-	-	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT		-	-	5,730-	-	-	35
NET INCOME	$	108,714 $	137,592 $	41,499-$	50,196 $	45,016	36
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR	$	646,891 $	520,996 $	584,614 $	556,546 $	534,308	37
BALANCE TRANSFERRED FROM INCOME		108,714	137,592	41,499-	50,196	45,016	38
MISCELLANEOUS CREDITS		-	3,330	-	-	-	39
MISCELLANEOUS DEBITS		6,121	-	-	-	278	40
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK		5,190	5,227	5,319	5,328	5,700	42
-COMMON STOCK		4,200	9,800	16,800	16,800	16,800	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR		740,094	646,890	520,996	584,614	556,546	44
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR	$	740,093 $	646,890 $	520,997 $	584,615 $	556,546	46
SELECTED INCOME ACCOUNT RELATIONSHIPS							
PERCENT OF TELEPHONE OPERATING REVENUES							
OPERATION AND MAINTENANCE EXPENSE		61.9	57.2	70.4	62.4	65.6	47
EXTRAORDINARY RETIREMENTS		-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION		11.5	11.1	11.5	11.7	12.0	49
TOTAL INCOME TAXES-OPERATING		0.4-	0.8-	0.9-	1.2-	1.0-	50
OTHER TAXES-OPERATING		8.8	9.0	12.3	11.4	11.1	51
TOTAL OPERATING EXPENSES		81.8	76.5	93.2	84.4	87.8	52
OPERATING INCOME		18.1	23.4	6.7	15.5	12.1	53
INTEREST EXPENSE							
PRETAX COVERAGE		1.8	1.8	0.5	1.4	1.4	54
NET INCOME-PERCENT OF OPERATING REVENUES		7.4	9.2	3.4-	4.4	4.1	55
DIVIDEND APPROPRIATIONS, COMMON STOCK PERCENT OF EARNINGS AVAILABLE		4.0	7.4	38.7-	37.4	42.7	56
PERCENT OF AVERAGE COMMON EQUITY EARNINGS AVAILABLE FOR COMMON STOCK		13.5	20.2	7.4-	7.0	6.3	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

VERNON TELEPHONE COMPANY, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 108,713	$ 137,592	$ 35,769-	$ 50,196	$ 45,016
	NON-CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	213,833	206,990	176,700	169,219	194,523
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	6,990-	12,813-	11,715-	14,112-	11,768-
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	315,556	331,769	129,216	205,303	227,771
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	315,556	331,769	129,216	205,303	227,771
10	LESS DIVIDENDS: PREFERRED	5,190	5,227	5,319	5,328	5,700
11	COMMON	4,200	9,800	16,800	16,800	16,800
12	NET FUNDS FROM INTERNAL SOURCES	306,166	316,742	107,097	183,175	205,271
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	644,151	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	58,088	15,000	5,000	-	-
17	OTHER (NET)	-	3,330	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	58,088	662,481	5,000	-	-
20	OTHER SOURCES (NET)	25,142	9,085	225,372	16,331	44,481
21						
22						
23	TOTAL FUNDS PROVIDED	$ 389,396	$ 988,308	$ 337,469	$ 199,506	$ 249,752
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 79,793	$ 825,744	$ 297,744	$ 108,708	$ 164,307
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	79,793	825,744	297,744	108,708	164,307
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	79,793	825,744	297,744	108,708	164,307
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	-	26,261	30,863	23,414
31	PREFERRED STOCK	-	2,000	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	5,730	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	2,000	31,991	30,863	23,414
37	OTHER USES (NET)	309,603	160,564	7,734	59,935	62,031
38						
39						
40	TOTAL FUNDS APPLIED	$ 389,396	$ 988,308	$ 337,469	$ 199,506	$ 249,752

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

VERNON TELEPHONE COMPANY, INC

ITEM	1986	1985	1984	1983	1982	LINE NO
TELEPHONE OPERATING REVENUES						
OPERATING REVENUES						
LOCAL REVENUES	$ 585,842	$ 402,887	$ 397,412	$ 389,314	$ 393,149	1
ACCESS REVENUES	381,965	372,362				2
TOLL REVENUES	436,562	624,884	754,310	712,293	662,869	3
MISCELLANEOUS REVENUES	68,392	90,058	27,462	26,250	23,313	4
UNCOLLECTIBLE REVENUES-DR	11,000	9,000	11,531	9,500	4,800	5
TOTAL TELEPHONE OPERATING REVENUE	$ 1,461,761	$ 1,481,191	$ 1,167,653	$ 1,118,357	$ 1,074,531	6
TELEPHONE ACCESS LINES IN SERVICE	2,005	2,549	1,871	1,832	1,797	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 257.29	$ 182.30	$ 214.64	$ 214.56	$ 218.96	8
ACCESS REVENUE	167.75	201.11				9
TOLL REVENUE	191.73	282.76	407.40	392.56	369.18	10
*YEAR END AVERAGE						
TELEPHONE OPERATION AND MAINTENANCE EXPENSES						
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 376,855	$ 353,568	$ 392,176	$ 355,381	$ 362,844	11
DEPRECIATION + AMORTIZATION EXPENSES	168,237	164,424	135,026	131,252	129,849	12
TRAFFIC EXPENSES	30,457	30,982	37,189	8,822	8,894	13
COMMERCIAL EXPENSES	84,390	65,506	54,510	51,792	53,020	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	257,835	228,486	193,133	171,489	172,505	16
OTHER OPERATING EXPENSES	155,575	169,666	144,844	111,318	107,985	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 1,073,349	$ 1,012,632	$ 956,878	$ 830,054	$ 835,097	18
TELEPHONE UTILITY PLANT						
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 3,399,613	$ 3,357,088	$ 3,213,037	$ 2,984,585	$ 2,911,368	19
PLANT UNDER CONSTRUCTION	-	-	-	-	-	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	3,399,613	3,357,088	3,213,037	2,984,585	2,911,368	24
ACCUMULATED PROVISION FOR DEPR+AMORT	909,098	715,297	1,185,893	1,042,015	899,829	25
NET TELEPHONE PLANT	$ 2,490,515	$ 2,641,791	$ 2,027,144	$ 1,942,570	$ 2,011,539	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 3,357,087	$ 3,213,037	$ 2,984,585	$ 2,911,368	$ 2,848,318	27
ADDITIONS	88,712	891,039	298,916	98,467	145,425	28
RETIREMENTS	38,529	746,988	70,464	35,415	82,375	29
TRANSFERS AND ADJUSTMENTS	7,657-	-	-	10,165	-	30
PLANT IN SERVICE END OF YEAR	$ 3,399,613	$ 3,357,088	$ 3,213,037	$ 2,984,585	$ 2,911,368	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

VERNON TELEPHONE COMPANY, INC

LINE NO.	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 1,461,761	$ 1,481,191	$ 1,167,653	$ 1,118,355	$ 1,074,531
2	ACCESS LINES (AVERAGE*)	2,277	2,210	1,852	1,815	1,796
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 359,075	$ 309,224	$ 332,654	$ 314,074	$ 401,889
4	OTHER OPERATION AND MAINTENANCE EXPENSES	546,037	538,984	489,198	384,728	303,359
5	DEPRECIATION AND AMORTIZATION EXPENSES	168,237	164,424	135,026	131,252	129,849
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	6,990-	12,813-	11,715-	14,112-	11,768-
8	OTHER TAXES - OPERATING	129,704	134,561	143,903	128,128	120,126
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	122,914	152,121	86,709	87,832	88,869
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	5,190	5,227	5,319	5,328	5,700
11	EARNINGS AVAILABLE FOR COMMON EQUITY	137,594	189,463	13,441-	81,125	36,507
12	TOTAL	$ 1,461,761	$ 1,481,191	$ 1,167,653	$ 1,118,355	$ 1,074,531
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	24 6	20 9	28 5	28 1	37 4
14	OTHER OPERATION AND MAINTENANCE EXPENSES	37 4	36 4	41 9	34 4	28 2
15	DEPRECIATION AND AMORTIZATION EXPENSES	11 5	11 1	11 6	11 7	12 1
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	0 4-	0.8-	0 9-	1.2-	1 0-
18	OTHER TAXES - OPERATING	8 9	9 1	12 3	11 5	11 2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8 4	10 3	7 4	7.9	8 3
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0 4	0 4	0 5	0 5	0.5
21	EARNINGS AVAILABLE FOR COMMON EQUITY	9 4	12 8	1 1-	7 3	3 4
22	TOTAL	100 0	100 0	100 0	100 0	100 0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 13 14	$ 11.66	$ 14 97	$ 14 42	$ 18 65
24	OTHER OPERATION AND MAINTENANCE EXPENSES	19 98	20 32	22 02	17 67	14 08
25	DEPRECIATION AND AMORTIZATION EXPENSES	6 16	6.20	6 08	6 03	6 03
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	0 25-	0.47-	0 52-	0 64-	0 54-
28	OTHER TAXES - OPERATING	4 75	5 07	6 48	5 88	5 58
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4 50	5 74	3 90	4 03	4 12
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0 19	0 20	0 24	0 24	0 26
31	EARNINGS AVAILABLE FOR COMMON EQUITY	5 04	7 14	0 59-	3 73	1 69
32	TOTAL	$ 53 50	$ 55 85	$ 52 55	$ 51 36	$ 49 87

* YEAR END AVERAGE

COMMUNICATIONS

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

WARWICK VALLEY TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	TELEPHONE PLANT	$ 16,666,052	$ 17,751,829	$ 15,112,759	$ 14,447,286	$ 14,120,072
2	ACCUMULATED PROVISION FOR DEPR+AMORT	4,297,001	5,663,910	4,779,094	4,076,694	3,414,649
3	NET TELEPHONE PLANT	12,369,051	12,087,919	10,333,665	10,370,592	10,705,423
4	INVESTMENTS IN AFFILIATED COMPANIES	-	-	-	-	4,784
5	ADVANCES TO AFFILIATED COMPANIES	-	-	-	4,281	-
6	MISCELLANEOUS PHYSICAL PROPERTY	176,326	159,684	78,760	43,209	-
7	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
8	TOTAL INVESTMENTS AND FUNDS	176,326	159,684	78,760	47,490	4,784
9	CASH AND WORKING FUNDS	281,644	80,919	2,685	131,337	28,087
10	SPECIAL CASH DEPOSITS	-	-	-	-	-
11	TEMPORARY CASH INVESTMENTS	-	1,236,709	796,676	33,610	-
12	NOTES+ACCTS REC FROM AFFILIATED CO'S	-	-	-	-	-
13	OTHER NOTES AND ACCOUNTS RECEIVABLE	612,574	1,199,795	784,192	186,103	101,675
14	DUE FROM CUSTOMERS+AGENTS LESS ACCUMULATED PROVISION FOR UNCOLL ACCOUNTS	1,025,107	964,506	883,322	831,692	869,560
15	MATERIALS AND SUPPLIES*	719,682	543,244	515,677	350,933	427,877
16	PREPAYMENTS	16,993	24,867	118,588	48,472	88,033
17	OTHER CURRENT AND ACCRUED ASSETS	-	-	-	-	-
18	TOTAL CURRENT AND ACCRUED ASSETS	2,656,000	4,050,040	3,101,139	1,582,147	1,515,232
19	UNAMORTIZED DEBT DISCOUNT AND EXPENSE	39,906	49,526	59,211	69,035	25,269
20	EXTRAORDINARY MAINTENANCE+RETIREMENTS	-	-	-	-	-
21	RESEARCH AND DEVELOPMENT	-	-	-	-	-
22	OTHER DEFERRED DEBITS	28,238	24,127	37,449	30,853	39,846
23	TOTAL DEFERRED DEBITS	68,144	73,653	96,660	99,888	65,115
24	TOTAL ASSETS AND OTHER DEBITS	15,269,521	$ 16,371,296	$ 13,610,224	$ 12,100,117	$ 12,290,554
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 1,557,218	$ 1,557,218	$ 1,557,218	$ 1,557,218	$ 1,555,913
26	PREFERRED CAPITAL STOCK	500,000	500,000	500,000	500,000	500,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	31,607-	31,607-	31,607-	31,607-	-
33	RETAINED EARNINGS	5,157,802	4,676,526	3,800,312	3,259,019	3,208,096
34	TOTAL PROPRIETARY CAPITAL	7,183,413	6,702,137	5,825,923	5,284,630	5,264,009
35	BONDS(LESS BONDS REACQUIRED)	4,019,000	4,146,000	4,475,800	4,605,400	2,735,000
36	ADVANCES FROM AFFILIATED COMPANIES	-	-	-	-	-
37	OTHER LONG-TERM DEBT	-	-	-	-	-
38	TOTAL LONG-TERM DEBT	4,019,000	4,146,000	4,475,800	4,605,400	2,735,000
39	NOTES+ACCTS PAY TO AFFILIATED CO'S	-	-	-	-	-
40	OTHER NOTES AND ACCOUNTS PAYABLE	1,606,061	3,310,284	1,019,960	337,464	3,444,073
41	CUSTOMERS DEPOSITS	195,631	138,894	131,590	112,779	102,607
42	ADVANCE BILLING AND PAYMENTS	-	-	-	-	-
43	TAXES ACCRUED	278,345-	87,750	396,912	234,797	384,138-
44	OTHER CURRENT AND ACCRUED LIABILITIES	143,646	131,905	129,290	173,885	87,765
45	TOTAL CURRENT AND ACCRUED LIABILITIES	1,666,993	3,668,833	1,877,752	858,925	3,250,307
46	UNAMORTIZED PREMIUM ON DEBT	-	-	-	-	-
47	ACCUM. DEFERRED INVESTMENT TAX CREDITS	813,294	598,780	573,132	509,882	486,837
48	OTHER DEFERRED CREDITS	73,280	39,540	15,965	4,205	-
49	TOTAL DEFERRED CREDITS	886,574	638,320	589,097	514,087	486,837
50	OPERATING RESERVES	-	-	-	-	-
51	ACCUMULATED DEFERRED INCOME TAXES	1,513,541	1,216,006	1,041,652	837,075	554,401
52	TOTAL LIABILITIES AND OTHER CREDITS	$ 15,269,521	$ 16,371,296	$ 13,610,224	$ 12,100,117	$ 12,290,554
	SELECTED BALANCE SHEET RELATIONSHIPS					
53	CURRENT ASSETS/CURRENT LIABILITIES	1.59	1.10	1.65	1.84	0.47
	PERCENT OF CAPITALIZATION					
54	LONG TERM DEBT	35.8	38.2	43.4	46.5	34.1
55	PREFERRED STOCK	4.4	4.6	4.8	5.0	6.2
56	COMMON STOCK+OTHER PAID-IN CAPITAL	13.6	14.0	14.8	15.4	19.4
57	RETAINED EARNINGS	46.0	43.1	36.8	32.9	40.1
	LONG-TERM DEBT					
58	PERCENT OF GROSS TELEPHONE PLANT	24.1	23.3	29.8	31.8	19.3
59	ACCUMULATED PROVISION FOR DEPR+AMORT PERCENT OF TELEPHONE PLANT	25.7	31.9	31.6	28.2	24.1

*INCLUDES MERCHANDISE AND MATERIAL HELD FOR SALE (ACCT. 124)

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

WARWICK VALLEY TELEPHONE COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO.
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS						
TELEPHONE OPERATING INCOME						
OPERATING REVENUES $	7,899,598 $	8,356,461 $	7,655,256 $	6,541,468 $	5,955,303	1
OPERATION AND MAINTENANCE EXPENSE	3,779,435	3,644,010	3,508,940	3,377,433	3,254,884	2
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	3
DEPRECIATION	1,005,096	1,012,495	1,026,951	890,835	758,790	4
AMORTIZATION	-	-	-	-	-	5
TAXES OTHER THAN INCOME TAXES-OPERATING	912,108	928,589	900,459	822,887	675,882	6
INCOME TAXES-OPERATING	508,950	901,238	620,721	243,218	67,179	7
OPERATING INCOME TAXES DEFERRED	310,654	228,334	261,104	320,989	236,698	8
INCOME CREDITS RESULTING FROM PRIOR DEFERRALS ON INCOME TAXES-OPERATING	13,119-	53,980-	56,527-	38,315-	29,171-	9
TOTAL OPERATING EXPENSES	6,503,124	6,660,686	6,261,648	5,617,047	4,964,262	10
TOTAL TELEPHONE OPERATING INCOME	1,396,474	1,695,775	1,393,608	924,421	1,001,041	11
OTHER INCOME						
DIVIDEND INCOME	-	-	-	-	-	12
INTEREST INCOME	26,633	90,170	43,958	20,491	362	13
ALLOWANCE FOR CONSTRUCTION FUNDS	165,670	10,612	24,255	-	82,699	14
INCOME FROM SINKING AND OTHER FUNDS	-	-	-	-	-	15
INCOME FROM MISC. PHYSICAL PROPERTY	-	-	-	-	-	16
MISCELLANEOUS INCOME	40,368-	33,791	65,778-	15,498-	17,370	17
TOTAL OTHER INCOME	151,935	134,573	2,435	4,993	100,431	18
TOTAL INCOME	1,548,409	1,830,348	1,396,043	929,414	1,101,472	19
INCOME DEDUCTIONS						
TAXES OTHER THAN INC. TAXES-NONOPERATING	-	-	-	-	-	20
INCOME TAXES-NONOPERATING	8,126-	29,580	15,211-	8,283-	8,354-	21
MISCELLANEOUS INCOME CHARGES	3,170	3,234	3,583	3,043	3,069	22
TOTAL INCOME DEDUCTIONS	4,956-	32,814	11,628-	5,240-	5,285-	23
INCOME BEFORE INTEREST CHARGES	1,553,365	1,797,534	1,407,671	934,654	1,106,757	24
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	408,344	425,400	442,536	393,665	230,935	25
AMORT. OF DEBT DISCOUNT AND EXPENSE	9,620	9,685	9,824	8,058	2,575	26
AMORT. OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	27
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	28
OTHER INTEREST EXPENSE	82,313	13,141	5,565	146,100	360,860	29
TOTAL INTEREST CHARGES	500,277	448,226	457,925	547,823	594,370	30
INCOME BEFORE EXTRAORDINARY/DELAYED ITEMS	1,053,088	1,349,308	949,746	386,831	512,387	31
EXTRAORDINARY/DELAYED ITEMS						
EXTRAORDINARY/DELAYED INCOME CREDITS	-	33,828	-	-	-	32
EXTRAORDINARY/DELAYED INCOME CHARGES	33,828-	-	-	-	-	33
INCOME TAX EFFECT OF EXTRAORDINARY AND DELAYED ITEMS	15,560-	15,560	-	-	-	34
TOTAL EXTRAORDINARY/DELAYED ITEMS LESS TAX EFFECT	18,268-	18,268	-	-	-	35
NET INCOME $	1,034,820 $	1,367,576 $	949,746 $	386,831 $	512,387	36
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG OF YR $	4,676,526 $	3,800,312 $	3,259,019 $	3,208,096 $	3,020,346	37
BALANCE TRANSFERRED FROM INCOME	1,034,820	1,367,576	949,746	386,831	512,387	38
MISCELLANEOUS CREDITS	-	-	-	-	-	39
MISCELLANEOUS DEBITS	-	-	-	-	-	40
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	41
DIVIDENDS DECLARED-PREFERRED STOCK	25,000	25,000	25,000	25,000	25,000	42
-COMMON STOCK	528,544	466,362	383,453	310,908	299,637	43
UNAPPROPRIATED RETAINED EARNINGS END OF YR	5,157,802	4,676,526	3,800,312	3,259,019	3,208,096	44
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	45
TOTAL RETAINED EARNINGS END OF YEAR $	5,157,802 $	4,676,526 $	3,800,312 $	3,259,019 $	3,208,096	46
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF TELEPHONE OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSE	47.8	43.6	45.8	51.6	54.5	47
EXTRAORDINARY RETIREMENTS	-	-	-	-	-	48
DEPRECIATION AND AMORTIZATION	12.7	12.1	13.4	13.6	12.7	49
TOTAL INCOME TAXES-OPERATING	10.2	12.9	10.8	8.0	4.6	50
OTHER TAXES-OPERATING	11.5	11.1	11.7	12.5	11.3	51
TOTAL OPERATING EXPENSES	82.3	79.7	81.7	85.8	83.2	52
OPERATING INCOME	17.6	20.2	18.2	14.1	16.7	53
INTEREST EXPENSE						
PRETAX COVERAGE	4.7	6.5	4.8	2.6	2.3	54
NET INCOME-PERCENT OF OPERATING REVENUES	13.0	16.3	12.4	5.9	8.5	55
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE	52.3	34.7	41.4	85.9	61.4	56
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON STOCK	15.6	23.2	18.2	7.5	10.6	57

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

WARWICK VALLEY TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 1,053,088	$ 1,349,308	$ 949,746	$ 386,831	$ 512,387
	NON-CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION AND AMORTIZATION	1,014,716	1,022,180	1,036,775	898,893	761,365
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	512,049	200,002	293,149	284,979	376,728
4	INTEREST CAPITALIZED	165,670-	10,612-	24,255-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL: INTERNAL - BEFORE EXTRAORDINARY & DELAYED ITEMS	2,414,183	2,560,878	2,255,415	1,570,703	1,650,480
8	EXTRAORDINARY & DELAYED ITEMS NET OF INCOME TAXES	18,268-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	2,395,915	2,550,878	2,255,415	1,570,703	1,650,480
10	LESS DIVIDENDS: PREFERRED	25,000	25,000	25,000	25,000	25,000
11	COMMON	528,544	466,362	383,453	310,908	299,637
12	NET FUNDS FROM INTERNAL SOURCES	1,842,371	2,069,516	1,846,962	1,234,795	1,325,843
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	1,870,400	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	525,000	50,000	-	3,046,000	1,569,000
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	525,000	50,000	-	4,916,400	1,569,000
20	OTHER SOURCES (NET)	2,526,845	1,273,484	239,284	-	948,937
21						
22						
23	TOTAL FUNDS PROVIDED	$ 4,894,216	$ 3,393,000	$ 2,086,246	$ 6,151,195	$ 3,843,780
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	TELEPHONE PLANT	$ 4,932,886	$ 3,073,812	$ 1,980,901	$ 884,461	$ 3,480,180
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	4,932,886	3,073,812	1,980,901	884,461	3,480,180
28	LESS INTEREST CAPITALIZED	165,670	10,612	24,255	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	4,767,216	3,063,200	1,956,646	884,461	3,480,180
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	127,000	329,800	129,600	-	363,600
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	127,000	329,800	129,600	-	363,600
37	OTHER USES (NET)	-	-	-	5,266,734	-
38						
39						
40	TOTAL FUNDS APPLIED	$ 4,894,216	$ 3,393,000	$ 2,086,246	$ 6,151,195	$ 3,843,780

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUE, OPERATION AND MAINTENANCE, AND UTILITY PLANT,

YEARS ENDING DECEMBER 31

WARWICK VALLEY TELEPHONE COMPANY

TELEPHONE OPERATING REVENUES

ITEM	1986	1985	1984	1983	1982	LINE NO.
OPERATING REVENUES						
LOCAL REVENUES	$ 2,556,354	$ 2,306,205	$ 2,166,814	$ 1,778,558	$ 1,597,251	1
ACCESS REVENUES	3,337,320	3,169,133				2
TOLL REVENUES	702,364	1,710,466	5,108,618	4,463,789	4,115,717	3
MISCELLANEOUS REVENUES	1,339,560	1,206,598	415,824	335,120	279,335	4
UNCOLLECTIBLE REVENUES-DR	36,000	36,000	36,000	36,000	27,000	5
TOTAL TELEPHONE OPERATING REVENUE	$ 7,899,598	$ 8,356,461	$ 7,655,256	$ 6,541,467	$ 5,965,303	6
TELEPHONE ACCESS LINES IN SERVICE	15,076	14,382	13,696	13,094	12,659	7
TELEPHONE OPERATING REVENUE RELATIONSHIPS						
REVENUE PER AVERAGE ACCESS LINE*						
LOCAL REVENUE	$ 173 66	$ 164 27	$ 161 76	$ 137 06	$ 126 67	8
ACCESS REVENUE	226 58	236 60				9
TOLL REVENUE	47 69	121 84	381 38	343 99	326 40	10

*YEAR END AVERAGE

TELEPHONE OPERATION AND MAINTENANCE EXPENSES

ITEM	1986	1985	1984	1983	1982	LINE NO.
OPERATION AND MAINTENANCE EXPENSES						
MAINTENANCE EXPENSES	$ 1,377,131	$ 1,387,093	$ 1,382,040	$ 1,415,198	$ 1,380,012	11
DEPRECIATION + AMORTIZATION EXPENSES	1,005,096	1,012,496	1,026,951	890,835	758,790	12
TRAFFIC EXPENSES	460,619	440,163	438,968	411,233	376,720	13
COMMERCIAL EXPENSES	564,662	511,056	468,944	420,639	433,346	14
ACCESS EXPENSES	-	-	-	-	-	15
GENERAL OFFICE SALARIES AND EXPENSES	806,588	785,084	694,696	683,649	701,573	16
OTHER OPERATING EXPENSES	570,435	520,614	524,292	446,714	363,233	17
TOTAL OPERATION AND MAINTENANCE EXPENSES	$ 4,784,531	$ 4,656,505	$ 4,535,891	$ 4,268,268	$ 4,013,674	18

TELEPHONE UTILITY PLANT

ITEM	1986	1985	1984	1983	1982	LINE NO.
TELEPHONE UTILITY PLANT						
PLANT IN SERVICE	$ 16,534,704	$ 15,412,094	$ 14,973,785	$ 14,428,257	$ 14,056,926	19
PLANT UNDER CONSTRUCTION	131,348	2,339,735	138,974	19,029	63,146	20
PROPERTY HELD FOR FUTURE USE	-	-	-	-	-	21
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	22
PLANT ADJUSTMENTS	-	-	-	-	-	23
TOTAL TELEPHONE UTILITY PLANT	16,666,052	17,751,829	15,112,759	14,447,286	14,120,072	24
ACCUMULATED PROVISION FOR DEPR+AMORT	4,297,001	5,663,910	4,779,094	4,076,694	3,414,649	25
NET TELEPHONE PLANT	$ 12,369,051	$ 12,087,919	$ 10,333,665	$ 10,370,592	$ 10,705,423	26
PLANT IN SERVICE BEGINNING OF YEAR	$ 15,412,094	$ 14,973,785	$ 14,428,257	$ 14,056,926	$ 12,572,228	27
ADDITIONS	3,706,574	552,437	1,053,273	628,759	2,538,968	28
RETIREMENTS	2,583,966	183,661	604,132	344,748	1,067,327	29
TRANSFERS AND ADJUSTMENTS	-	69,533	96,387	87,320	13,057	30
PLANT IN SERVICE END OF YEAR	$ 16,534,703	$ 15,412,094	$ 14,973,785	$ 14,428,257	$ 14,056,926	31

MAJOR TELEPHONE COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF TELEPHONE REVENUES

YEARS ENDED DECEMBER 31

WARWICK VALLEY TELEPHONE COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 7,899,598	$ 8,356,461	$ 7,655,256	$ 6,541,468	$ 5,965,303
2	ACCESS LINES (AVERAGE*)	14,729	14,039	13,395	12,977	12,610
				DOLLAR AMOUNTS		
3	WAGES AND BENEFITS	$ 2,851,410	$ 2,750,854	$ 2,659,383	$ 2,418,062	$ 2,279,185
4	OTHER OPERATION AND MAINTENANCE EXPENSES	928,025	893,156	849,557	959,371	975,699
5	DEPRECIATION AND AMORTIZATION EXPENSES	1,005,096	1,012,495	1,026,951	890,835	758,790
6	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
7	INCOME TAXES - OPERATING	806,485	1,075,592	825,298	525,892	274,706
8	OTHER TAXES - OPERATING	912,108	928,589	900,459	822,887	675,882
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	500,277	445,531	457,925	547,823	564,433
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	25,000	24,841	25,000	25,000	21,775
11	EARNINGS AVAILABLE FOR COMMON EQUITY	871,197	1,225,403	910,683	351,598	414,833
12	TOTAL	$ 7,899,598	$ 8,356,461	$ 7,655,256	$ 6,541,468	$ 5,965,303
				PERCENT OF REVENUES		
13	WAGES AND BENEFITS	36.1	32.9	34.7	37.0	38.2
14	OTHER OPERATION AND MAINTENANCE EXPENSES	11.7	10.7	11.1	14.7	16.4
15	DEPRECIATION AND AMORTIZATION EXPENSES	12.7	12.1	13.4	13.6	12.7
16	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
17	INCOME TAXES - OPERATING	10.2	12.9	10.8	8.0	4.6
18	OTHER TAXES - OPERATING	11.5	11.1	11.8	12.6	11.3
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	6.3	5.3	6.0	8.4	9.5
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.3	0.3	0.3	0.4	0.4
21	EARNINGS AVAILABLE FOR COMMON EQUITY	11.0	14.7	11.9	5.4	7.0
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				DOLLARS PER AVERAGE ACCESS LINE PER MONTH		
23	WAGES AND BENEFITS	$ 16.13	$ 16.33	$ 16.54	$ 15.53	$ 15.06
24	OTHER OPERATION AND MAINTENANCE EXPENSES	5.25	5.30	5.29	6.16	6.45
25	DEPRECIATION AND AMORTIZATION EXPENSES	5.69	6.01	6.39	5.72	5.01
26	EXTRAORDINARY RETIREMENTS	-	-	-	-	-
27	INCOME TAXES - OPERATING	4.56	6.38	5.13	3.38	1.82
28	OTHER TAXES - OPERATING	5.16	5.51	5.60	5.28	4.47
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2.83	2.64	2.85	3.52	3.73
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.14	0.15	0.16	0.16	0.14
31	EARNINGS AVAILABLE FOR COMMON EQUITY	4.93	7.27	5.67	2.26	2.74
32	TOTAL	$ 44.69	$ 49.60	$ 47.63	$ 42.01	$ 39.42

* YEAR END AVERAGE

SECTION IV.

WATER SERVICE COMPANIES

Balance Sheets

Income Statements

Statements of Changes in Financial Position

Statements of Revenue, Plant, and Operation and Maintenance

Distribution of Water Revenues

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

CITIZENS WATER-SUPPLY COMPANY OF NEWTOWN, THE

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 7,121,508	$ 6,731,282	$ 6,473,329	$ 5,550,263	$ 5,082,132
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	2,120,220	2,004,368	1,884,314	1,793,007	1,735,073
3	NET WATER PLANT	5,001,288	4,726,914	4,589,015	3,757,256	3,347,059
4	OTHER PHYSICAL PROPERTY	2,550	2,550	2,550	2,550	2,550
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	2,550	2,550	2,550	2,550	2,550
8	CASH AND WORKING FUNDS	594,488	108,670	36,087	74,381	472,467
9	SPECIAL DEPOSITS	4,541	4,541	4,541	4,541	3,926
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	189,068	302,117	376,647	303,823	304,762
12	RECEIVABLES FROM ASSOCIATED COMPANIES	12,834	-	-	300,000	420
13	MATERIALS AND SUPPLIES	30,398	22,139	22,756	29,215	24,217
14	PREPAYMENTS	80,961	55,864	51,320	49,207	44,821
15	OTHER CURRENT AND ACCRUED ASSETS	414,256	477,587	360,142	386,782	345,747
16	TOTAL CURRENT AND ACCRUED ASSETS	1,326,534	970,918	861,493	1,147,929	1,196,359
17	UNAMORTIZED DEBT EXPENSE	-	-	-	-	-
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	14,145	68,739	13,348	11,233	10,253
20	CLEARING ACCOUNTS	844	22,774	1,940	3,837-	9,311
21	ACCUMULATED DEFERRED INCOME TAXES	10,456	-	10,456	9,581	9,581
22	OTHER DEFERRED DEBITS	219,712	301,029	303,080	315,393	295,327
23	TOTAL DEFERRED DEBITS	245,157	392,542	328,804	332,370	324,472
24	TOTAL ASSETS AND OTHER DEBITS	$ 6,575,529	$ 6,092,924	$ 5,771,862	$ 5,240,105	$ 4,870,440
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 735,000	$ 735,000	$ 735,000	$ 735,000	$ 735,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	1,339,620	1,143,328	1,143,328	1,143,328	1,143,328
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	3,536,663	3,128,317	2,872,095	2,605,404	2,252,895
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	5,611,283	5,006,645	4,750,423	4,483,732	4,131,223
36	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	-	-	-	-	-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	-	-	-	-	-
41	NOTES AND ACCOUNTS PAYABLE	126,267	260,843	275,669	102,018	100,568
42	PAYABLES TO ASSOCIATED COMPANIES	10,654	7,958	39,922	7,527	7,142
43	CUSTOMERS' DEPOSITS	129,432	93,506	66,973	77,200	80,046
44	TAXES ACCRUED	5,130-	31,228	9,224	30,970	78,775
45	OTHER CURRENT AND ACCRUED LIABILITIES	111,621	122,905	128,917	143,007	155,829
46	TOTAL CURRENT AND ACCRUED LIABILITIES	372,844	516,440	520,705	360,722	422,360
47	CUSTOMER ADVANCES FOR CONSTRUCTION	29,179	25,462	30,382	54,500	54,500
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	240,084	241,993	229,128	125,769	79,733
49	OTHER DEFERRED CREDITS	-	-	68	-	-
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	222,819	166,715	101,681	70,111	46,590
52	OTHER	99,320	133,669	139,475	145,271	136,034
53	TOTAL DEFERRED CREDITS	591,402	569,839	500,734	395,651	316,857
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 6,575,529	$ 6,092,924	$ 5,771,862	$ 5,240,105	$ 4,870,440
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	CURRENT ASSETS / CURRENT LIABILITIES	3.56	1.88	1.64	3.18	2.83
	PERCENT OF CAPITALIZATION:					
57	LONG TERM DEBT	-	-	-	-	-
58	PREFERRED STOCK	-	-	-	-	-
59	COMMON STOCK + OTHER PAID-IN CAPITAL	36.9	37.5	39.5	41.8	45.4
60	RETAINED EARNINGS	63.0	62.4	60.4	58.1	54.5
	LONG-TERM DEBT					
61	PERCENT OF GROSS WATER PLANT	-	-	-	-	-
62	ACCUMULATED PROVISION FOR DEPRE.+AMORT. PERCENT OF WATER PLANT	29.7	29.7	29.1	32.3	34.1

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

CITIZENS WATER-SUPPLY COMPANY OF NEWTOWN, THE

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT						
WATER OPERATING INCOME						
OPERATING REVENUES	$ 3,941,807 $	3,639,793 $	3,381,683 $	3,353,320 $	3,069,763	1
OPERATION AND MAINTENANCE EXPENSES	1,632,298	1,668,576	1,528,716	1,409,762	1,326,515	2
DEPRECIATION	145,828	143,022	127,533	93,833	87,319	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	1,201,717	1,162,677	1,068,169	1,040,174	888,680	5
INCOME TAXES	314,001	173,471	188,329	247,298	218,254	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	3,293,844	3,147,746	2,912,747	2,791,067	2,520,768	9
NET OPERATING REVENUES	647,963	492,047	468,936	562,253	548,995	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	647,963	492,047	468,936	562,253	548,995	12
OTHER INCOME						
INCOME FROM MDSE, JOBBING-CONTRACT WORK	2,959	819	2,429	677	1,253	13
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	14
NONOPERATING RENTAL INCOME	-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME	-	-	-	-	-	16
ALLOWANCE FOR CONSTRUCTION FUNDS	401	-	203	3,966	69	17
MISCELLANEOUS NONOPERATING INCOME	60	1,839	28	328	251	18
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	19
TOTAL OTHER INCOME	3,420	2,658	2,660	4,971	1,573	20
TOTAL INCOME	651,383	494,705	471,596	567,224	550,568	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS	-	-	3,163	197	175	24
TAXES OTHER THAN INC TAXES-NONOPERATING	-	-	-	-	-	25
INCOME TAXES-NONOPERATING	4,989-	5,832-	4,511-	3,321-	1,530	26
TOTAL OTHER INCOME DEDUCTIONS	4,989-	5,832-	1,348-	3,124-	1,705	27
INCOME BEFORE INTEREST CHARGES	656,372	500,537	472,944	570,348	548,863	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	-	-	-	-	-	29
AMORT OF DEBT DISCOUNT EXPENSE	-	-	-	-	-	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	236,421	235,490	214,846	208,909	237,596	32
OTHER INTEREST CHARGES	11,605	8,825	8,593-	8,930	5,061-	33
TOTAL INTEREST CHARGES	248,026	244,315	206,253	217,839	232,535	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS	-	-	-	-	-	37
NET EXTRAORDINARY ITEMS	-	-	-	-	-	38
NET INCOME	$ 408,346 $	256,222 $	266,691 $	352,509 $	316,328	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	3,128,317 $	2,872,095 $	2,605,404 $	2,252,895 $	1,936,567	40
BALANCE TRANSFERRED FROM INCOME	408,346	256,222	266,691	352,509	316,328	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	43
-COMMON STOCK	-	-	-	-	-	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	3,536,663	3,128,317	2,872,095	2,605,404	2,252,895	46
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 3,536,663 $	3,128,317 $	2,872,095 $	2,605,404 $	2,252,895	48
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	41.4	45.8	45.2	42.0	43.2	49
DEPRECIATION AND AMORTIZATION	3.6	3.9	3.7	2.7	2.8	50
INCOME TAXES	7.9	4.7	5.5	7.3	7.1	51
OTHER TAXES	30.4	31.9	31.5	31.0	28.9	52
TOTAL OPERATING EXPENSES	83.5	86.4	86.1	83.2	82.1	53
OPERATING INCOME	16.4	13.5	13.8	16.7	17.8	54
INTEREST EXPENSE:						
PRETAX COVERAGE	3.9	2.7	3.2	3.7	3.3	55
NET INCOME - % OF OPERATING REVENUES	10.3	7.0	7.8	10.5	10.3	56
DIVIDEND APPROPRIATIONS,COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE FOR COMMON	-	-	-	-	-	57
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	7.6	8.2	8.7	8.1	7.9	58

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

CITIZENS WATER-SUPPLY COMPANY OF NEWTOWN, THE

LINE NO.	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 604,638	$ 256,222	$ 266,691	$ 352,509	$ 316,328
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	227,159	272,818	238,134	182,402	152,366
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	17,846	74,093	128,258	78,794	90,611
4	INTEREST CAPITALIZED	-	-	203-	3,966-	69-
5	OTHER (NET):	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	849,643	603,133	632,880	609,739	559,236
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	849,643	603,133	632,880	609,739	559,236
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	849,643	603,133	632,880	609,739	559,236
	EXTERNAL SOURCES:					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET):	7,436	5,580	23,500	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	7,436	5,580	23,500	-	-
20	OTHER SOURCES (NET):	499,836-	1,684	456,419	757-	2,250
21						
22						
23	TOTAL FUNDS PROVIDED	$ 357,243	$ 610,397	$ 1,112,799	$ 608,982	$ 561,486
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 419,579	$ 282,605	$ 949,873	$ 503,273	$ 182,447
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	419,579	282,605	949,873	503,273	182,447
28	LESS INTEREST CAPITALIZED	-	-	203	3,966	69
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	419,579	282,605	949,670	499,307	182,378
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	-	-	-	-
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET):	-	-	-	-	5,303
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	-	-	-	5,303
37	OTHER USES (NET)	62,336-	327,792	163,129	109,675	373,805
38						
39						
40	TOTAL FUNDS APPLIED	$ 357,243	$ 610,397	$ 1,112,799	$ 608,982	$ 561,486

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

CITIZENS WATER-SUPPLY COMPANY OF NEWTOWN, THE

ITEM	1986	1985	1984	1983	1982	LINE NO
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 3,611,138	$ 3,327,675	$ 3,089,050	$ 3,081,325	$ 2,802,174	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	329,555	311,033	291,573	270,452	286,156	4
TOTAL REVENUES FROM SALES OF WATER	3,940,693	3,638,708	3,380,623	3,351,777	3,088,330	5
OTHER WATER OPERATING REVENUES	1,114	1,085	1,060	1,543	1,343	6
TOTAL WATER OPERATING REVENUES	$ 3,941,807	$ 3,639,793	$ 3,381,683	$ 3,353,320	$ 3,089,673	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	1,480,810	1,399,192	1,407,021	1,490,591	1,416,544	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	1,480,810	1,399,192	1,407,021	1,490,591	1,416,544	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	7,644	7,644	7,655	7,636	7,633	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	80	81	77	78	72	16
TOTAL CUSTOMERS	7,724	7,725	7,732	7,714	7,705	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 472.41	$ 435.33	$ 403.53	$ 403.52	$ 367.11	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	193.72	183.04	183.80	195.20	185.58	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	243.86	237.83	219.55	206.72	197.82	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T GALLONS SOLD(CENTS)	-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 254,806	$ 249,312	$ 241,838	$ 214,595	$ 186,289	24
POWER AND PUMPING EXPENSES	419,424	453,799	403,698	377,830	348,363	25
PURIFICATION EXPENSES	40,089	28,866	20,643	26,019	49,753	26
TRANSMISSION AND DISTRIBUTION EXPENSES	240,415	240,181	210,543	194,350	185,096	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	164,274	171,602	158,783	149,093	133,097	28
ADMINISTRATIVE+GENERAL EXPENSES	513,290	524,817	493,211	445,875	423,917	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 1,632,298	$ 1,668,577	$ 1,528,716	$ 1,409,762	$ 1,326,515	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 7,083,546	$ 6,731,282	$ 6,473,329	$ 5,531,266	$ 5,062,798	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	37,962	-	-	18,997	19,334	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	7,121,508	6,731,282	6,473,329	5,550,263	5,082,132	38
ACCUM PROV FOR DEPR. AMORT., DEPLETION	2,120,220	2,004,368	1,884,314	1,793,007	1,735,073	39
NET WATER UTILITY PLANT	$ 5,001,288	$ 4,726,914	$ 4,589,015	$ 3,757,256	$ 3,347,059	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 6,731,281	$ 6,473,329	$ 5,531,266	$ 5,062,798	$ 4,919,300	41
ADDITIONS	381,623	282,605	982,286	507,052	176,926	42
RETIREMENTS	29,353	24,652	26,806	38,584	28,155	43
TRANSFERS AND ADJUSTMENTS	5-	-	13,417-	-	5,303-	44
PLANT IN SERVICE END OF YEAR	$ 7,083,546	$ 6,731,282	$ 6,473,329	$ 5,531,266	$ 5,062,798	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

CITIZENS WATER-SUPPLY COMPANY OF NEWTOWN, THE

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 3,941,807	$ 3,639,793	$ 3,381,683	$ 3,353,320	$ 3,069,763
2	SALES (THOUSAND GALLONS)	1,480,810	1,399,192	1,407,021	1,490,591	1,416,544
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 406,201	$ 442,930	$ 381,591	$ 362,822	$ 370,993
4	WAGES AND BENEFITS	736,630	621,804	646,711	616,461	76,743
5	OTHER OPERATION AND MAINTENANCE EXPENSES	489,467	604,043	500,414	428,479	878,779
6	DEPRECIATION AND AMORTIZATION EXPENSES	145,828	143,022	127,533	93,833	87,3.9
7	INCOME TAXES - OPERATING	314,001	173,471	188,329	247,298	218,254
8	OTHER TAXES - OPERATING	1,201,717	1,162,677	1,068,160	1,040,174	888,680
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	248,026	244,316	206,253	217,839	232,535
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	399,937	247,732	262,683	344,414	316,460
12	TOTAL	$ 3,941,807	$ 3,639,793	$ 3,381,683	$ 3,383,320	$ 3,069,763
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	10.3	12.2	11.3	10.8	12.1
14	WAGES AND BENEFITS	18.7	17.1	19.1	18.4	2.5
15	OTHER OPERATION AND MAINTENANCE EXPENSES	12.4	16.6	14.8	12.8	28.6
16	DEPRECIATION AND AMORTIZATION EXPENSES	3.7	3.9	3.8	2.8	2.8
17	INCOME TAXES - OPERATING	8.0	4.8	5.6	7.4	7.1
18	OTHER TAXES - OPERATING	30.5	31.9	31.6	31.0	28.9
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	6.3	6.7	6.1	6.5	7.6
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	10.1	6.8	7.8	10.3	10.3
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	27.43	31.66	27.12	24.34	26.19
24	WAGES AND BENEFITS	49.75	44.43	45.96	41.49	5.42
25	OTHER OPERATION AND MAINTENANCE EXPENSES	33.05	43.17	35.57	28.75	62.04
26	DEPRECIATION AND AMORTIZATION EXPENSES	9.85	10.22	9.06	6.30	6.16
27	INCOME TAXES - OPERATING	21.20	12.40	13.38	16.59	15.41
28	OTHER TAXES - OPERATING	81.15	83.10	75.92	69.78	62.74
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	16.75	17.46	14.66	14.61	16.42
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	27.01	17.71	18.67	23.11	22.34
32	TOTAL	266.19	260.14	240.34	224.97	216.71

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

COUNTRY KNOLLS WATER WORKS, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 2,844,583	$ 2,792,498	$ 2,745,709	$ 2,687,172	$ 2,007,547
2	ACCUMULATED PROVISION FOR DEPRE+AMORT.	428,387	384,301	345,293	313,404	259,444
3	NET WATER PLANT	2,416,196	2,408,197	2,400,416	2,373,768	1,748,103
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-	-	-	-	-
8	CASH AND WORKING FUNDS	162,005	84,126	89,059	157,555	66,004
9	SPECIAL DEPOSITS	-	-	-	-	-
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	482,028	241,452	237,395	191,924	166,255
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
13	MATERIALS AND SUPPLIES	-	-	-	175	175
14	PREPAYMENTS	60,294	53,885	47,291	53,689	66,173
15	OTHER CURRENT AND ACCRUED ASSETS	625	625	450	450	400
16	TOTAL CURRENT AND ACCRUED ASSETS	704,952	380,088	374,195	403,793	299,007
17	UNAMORTIZED DEBT EXPENSE	8,530	9,894	11,260	12,624	13,648
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	-	-	-
23	TOTAL DEFERRED DEBITS	8,530	9,894	11,260	12,624	13,648
24	TOTAL ASSETS AND OTHER DEBITS	$ 3,129,678	$ 2,798,179	$ 2,785,871	$ 2,790,185	$ 2,060,758
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 20,000	$ 20,000	$ 20,000	$ 20,000	$ 20,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	354,500	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	544,073	450,084	405,210	359,143	290,534
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	918,573	470,084	425,210	379,143	310,534
36	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
37	ADVANCES FROM ASSOCIATED COMPANIES	983,049	1,000,077	1,028,510	1,028,510	1,028,510
38	OTHER LONG TERM DEBT	727,500	772,500	738,190	786,940	620,690
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	1,710,549	1,772,577	1,766,700	1,815,450	1,649,200
41	NOTES AND ACCOUNTS PAYABLE	7,649	16,094	36,205	12,401	8,828
42	PAYABLES TO ASSOCIATED COMPANIES	489,141	535,700	542,727	457,341	-
43	CUSTOMERS' DEPOSITS	-	-	-	-	-
44	TAXES ACCRUED	3,766	3,724	15,029	117,041	91,808
45	OTHER CURRENT AND ACCRUED LIABILITIES	-	-	-	8,809	388
46	TOTAL CURRENT AND ACCRUED LIABILITIES	500,556	555,518	593,961	595,592	101,024
47	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	-	-	-	-	-
49	OTHER DEFERRED CREDITS	-	-	-	-	-
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	-	-	-	-	-
52	OTHER	-	-	-	-	-
53	TOTAL DEFERRED CREDITS	-	-	-	-	-
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 3,129,678	$ 2,798,179	$ 2,785,871	$ 2,790,185	$ 2,060,758
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	CURRENT ASSETS / CURRENT LIABILITIES	1.41	0.68	0.63	0.68	2.96
	PERCENT OF CAPITALIZATION					
57	LONG TERM DEBT	65.0	79.0	80.6	82.7	84.1
58	PREFERRED STOCK	-	-	-	-	-
59	COMMON STOCK + OTHER PAID-IN CAPITAL	14.2	0.8	0.9	0.9	1.0
60	RETAINED EARNINGS	20.6	20.0	18.4	16.3	14.8
	LONG-TERM DEBT					
61	PERCENT OF GROSS WATER PLANT	60.1	63.4	64.3	67.5	82.1
62	ACCUMULATED PROVISION FOR DEPRE.+AMORT. PERCENT OF WATER PLANT	15.0	13.7	12.5	11.6	12.9

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

COUNTRY KNOLLS WATER WORKS, INC.

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM		1986	1985	1984	1983	1982	LINE NO
WATER OPERATING INCOME							
OPERATING REVENUES	$	985,147 $	899,337 $	798,411 $	672,881 $	534,311	1
OPERATION AND MAINTENANCE EXPENSES		495,350	433,989	377,296	302,418	277,420	2
DEPRECIATION		44,087	39,006	31,889	30,477	29,678	3
AMORTIZATION		-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES		186,840	150,737	-	142,834	130,208	5
INCOME TAXES		-	-	142,647	-	-	6
GAINS FROM DISP. OF UTILITY PLANT							7
LOSSES FROM DISP. OF UTILITY PLANT							8
TOTAL OPERATING EXPENSES		726,277	623,734	551,832	475,727	437,306	9
NET OPERATING REVENUES		258,870	275,603	246,579	197,154	97,005	10
INCOME FROM PLANT LEASED TO OTHERS		-	-	-	-	-	11
TOTAL WATER OPERATING INCOME		258,870	275,603	246,579	197,154	97,005	12
OTHER INCOME							
INCOME FROM MDSE, JOBBING+CONTRACT WORK		8,043	-	-	-	-	13
INCOME FROM NONUTILITY OPERATIONS		-	-	-	-	-	14
NONOPERATING RENTAL INCOME		-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME		-	-	-	-	-	16
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	-	-	-	17
MISCELLANEOUS NONOPERATING INCOME		6,700	-	-	-	-	18
GAIN ON DISPOSITION OF PROPERTY		-	-	-	-	-	19
TOTAL OTHER INCOME		14,743	-	-	-	-	20
TOTAL INCOME		273,613	275,603	246,579	197,154	97,005	21
OTHER INCOME DEDUCTIONS							
LOSS ON DISPOSITION OF PROPERTY		-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION		-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS		-	-	-	-	-	24
TAXES OTHER THAN INC TAXES-NONOPERATING		-	-	-	-	-	25
INCOME TAXES-NONOPERATING		-	-	-	-	-	26
TOTAL OTHER INCOME DEDUCTIONS		-	-	-	-	-	27
INCOME BEFORE INTEREST CHARGES		273,613	275,603	246,579	197,154	97,005	28
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		71,502	98,381	108,848	90,749	-	29
AMORT OF DEBT DISCOUNT EXPENSE		1,365	1,365	1,365	1,024	-	30
AMORT OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES		105,921	127,890	13,676	13,676	13,676	32
OTHER INTEREST CHARGES		836	3,093	76,623	-	19,233	33
TOTAL INTEREST CHARGES		179,624	230,729	200,512	106,449	32,909	34
EXTRAORDINARY ITEMS							
EXTRAORDINARY INCOME		-	-	-	-	711,264	35
EXTRAORDINARY DEDUCTIONS		-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS		-	-	-	-	-	37
NET EXTRAORDINARY ITEMS		-	-	-	-	711,264	38
NET INCOME	$	93,989 $	44,874 $	46,067 $	91,705 $	775,790	39
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YRS		450,084 $	405,210 $	359,143 $	290,534 $	484,826-	40
BALANCE TRANSFERRED FROM INCOME		93,989	44,874	46,067	91,705	775,360	41
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK		-	-	-	-	-	43
-COMMON STOCK		-	-	-	-	-	44
ADJUSTMENTS TO RETAINED EARNINGS		-	-	-	23,096-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR		544,073	450,084	405,210	359,143	290,534	46
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$	544,073 $	450,084 $	405,210 $	359,143 $	290,534	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1986	1985	1984	1983	1982	LINE NO
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	50.2	48.2	47.2	44.9	51.9	49
DEPRECIATION AND AMORTIZATION	4.4	4.3	3.9	4.5	5.5	50
INCOME TAXES	-	-	17.8	-	-	51
OTHER TAXES	18.9	16.7	-	21.2	24.3	52
TOTAL OPERATING EXPENSES	73.7	69.3	69.1	70.7	81.8	53
OPERATING INCOME	26.2	30.6	30.8	29.2	18.1	54
INTEREST EXPENSE:						
PRETAX COVERAGE	1.5	1.2	1.9	1.9	2.9	55
NET INCOME - % OF OPERATING REVENUES	9.5	4.9	5.7	13.6	145.1	56
DIVIDEND APPROPRIATIONS,COMMON STOCK:						
PERCENT OF EARNINGS AVAILABLE FOR COMMON	-	-	-	-	-	57
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON EQUITY	13.5	10.0	11.4	26.5	-	58

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

COUNTRY KNOLLS WATER WORKS, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES:					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 93,989	$ 44,874	$ 46,067	$ 91,705	$ 64,096
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	45,452	40,374	33,253	31,501	29,678
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	-	-	-	-	-
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	139,441	85,248	79,320	123,206	93,774
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	139,441	85,248	79,320	123,206	93,774
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	139,441	85,248	79,320	123,206	93,774
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	5,877	-	166,250	607,042
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	85,386	457,341	-
17	OTHER (NET)	354,500	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	354,500	5,877	85,386	623,591	607,042
20	OTHER SOURCES (NET)	-	-	-	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 493,941	$ 91,125	$ 164,706	$ 746,797	$ 700,816
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 52,086	$ 46,789	$ 58,537	$ 679,625	$ 31,938
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	52,086	46,789	58,537	679,625	31,938
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	52,086	46,789	58,537	679,625	31,938
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	62,029	-	48,750	-	-
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	553,188
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	62,029	-	48,750	-	553,188
37	OTHER USES (NET)	379,826	44,336	57,419	67,172	115,690
38						
39						
40	TOTAL FUNDS APPLIED	$ 493,941	$ 91,125	$ 164,706	$ 746,797	$ 700,816

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

COUNTRY KNOLLS WATER WORKS, INC.

ITEM	1986	1985	1984	1983	1982	LINE NO.
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 915,462	$ 856,175	$ 776,145	$ 643,650	$ 510,179	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	68,483	38,928	21,732	28,126	23,736	4
TOTAL REVENUES FROM SALES OF WATER	983,945	895,103	797,877	671,776	533,915	5
OTHER WATER OPERATING REVENUES	1,202	4,234	534	1,105	396	6
TOTAL WATER OPERATING REVENUES	$ 985,147	$ 899,337	$ 798,411	$ 672,881	$ 534,311	7
WATER SALES(T.GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	359,805	341,966	306,621	271,714	283,010	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	359,805	341,966	306,621	271,714	283,010	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	4,461	4,071	3,628	3,365	3,275	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	-	-	-	-	-	16
TOTAL CUSTOMERS	4,461	4,071	3,628	3,365	3,275	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 205.21	$ 210.31	$ 213.93	$ 191.27	$ 155.77	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	80.66	84.00	84.51	80.74	86.41	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	254.43	250.37	253.13	236.89	180.27	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T.GALLONS SOLD(CENTS)	-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 24,042	$ 37,742	$ 16,919	$ 12,252	$ 10,109	24
POWER AND PUMPING EXPENSES	126,525	110,895	106,844	100,988	110,588	25
PURIFICATION EXPENSES	27,094	22,813	22,923	15,690	14,309	26
TRANSMISSION AND DISTRIBUTION EXPENSES	91,653	89,502	64,851	46,325	41,728	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	63,840	41,063	29,950	36,167	27,314	28
ADMINISTRATIVE+GENERAL EXPENSES	162,196	131,974	135,809	90,994	73,372	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 495,350	$ 433,989	$ 377,296	$ 302,416	$ 277,420	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 2,844,583	$ 2,778,350	$ 2,731,560	$ 2,656,317	$ 1,977,692	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	-	14,148	14,149	30,855	29,855	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	2,844,583	2,792,498	2,745,709	2,687,172	2,007,547	38
ACCUM PROV FOR DEPR. AMORT., DEPLETION	428,387	384,301	345,293	313,404	259,444	39
NET WATER UTILITY PLANT	$ 2,416,196	$ 2,408,197	$ 2,400,416	$ 2,373,768	$ 1,748,103	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,778,349	$ 2,731,558	$ 2,656,317	$ 1,977,692	$ 1,927,538	41
ADDITIONS	82,287	46,791	75,243	678,625	50,154	42
RETIREMENTS	-	-	-	-	-	43
TRANSFERS AND ADJUSTMENTS	16,053-	-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 2,844,583	$ 2,778,349	$ 2,731,560	$ 2,656,317	$ 1,977,692	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

COUNTRY KNOLLS WATER WORKS, INC.

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 985,147	$ 899,337	$ 798,411	$ 672,881	$ 534,311
2	SALES (THOUSAND GALLONS)	359,805	341,966	306,621	271,714	283,010
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 98,056	$ 84,430	$ 86,560	$ 84,667	$ 95,152
4	WAGES AND BENEFITS	214,222	179,272	149,496	111,184	97,659
5	OTHER OPERATION AND MAINTENANCE EXPENSES	183,072	170,287	141,240	106,575	84,609
6	DEPRECIATION AND AMORTIZATION EXPENSES	44,087	39,008	31,889	30,477	29,678
7	INCOME TAXES - OPERATING	-	-	142,647	-	-
8	OTHER TAXES - OPERATING	186,840	150,737	-	142,834	130,208
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	179,624	230,729	200,512	105,449	32,909
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	79,246	44,874	46,087	91,705	64,098
12	TOTAL	$ 985,147	$ 899,337	$ 798,411	$ 672,881	$ 534,311
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	10.0	9.4	10.8	12.6	17.8
14	WAGES AND BENEFITS	21.7	19.9	18.7	16.5	18.3
15	OTHER OPERATION AND MAINTENANCE EXPENSES	18.6	18.9	17.7	15.8	15.8
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.5	4.3	4.0	4.5	5.6
17	INCOME TAXES - OPERATING	-	-	17.9	-	-
18	OTHER TAXES - OPERATING	19.0	16.8	-	21.2	24.4
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	18.2	25.7	25.1	15.7	6.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	8.0	5.0	5.8	13.6	12.0
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	27.25	24.69	28.23	31.16	33.62
24	WAGES AND BENEFITS	59.54	52.42	48.76	40.92	34.51
25	OTHER OPERATION AND MAINTENANCE EXPENSES	50.88	49.80	46.06	39.22	29.90
26	DEPRECIATION AND AMORTIZATION EXPENSES	12.25	11.41	10.40	11.22	10.49
27	INCOME TAXES - OPERATING	-	-	46.52	-	-
28	OTHER TAXES - OPERATING	51.93	44.08	-	52.57	46.01
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	49.92	67.47	65.39	38.81	11.63
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	22.02	13.12	15.02	33.75	22.65
32	TOTAL	273.80	262.99	260.39	247.64	188.80

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

JAMAICA WATER SUPPLY COMPANY

LINE NO.	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 85,399,704	$ 78,148,567	$ 71,613,007	$ 65,833,395	$ 61,432,292
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	21,281,435	20,560,147	20,047,824	19,629,947	19,256,559
3	NET WATER PLANT	64,118,269	57,588,420	51,565,183	46,203,448	42,175,733
4	OTHER PHYSICAL PROPERTY	5,816	5,816	5,816	5,816	5,816
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	5,816	5,816	5,816	5,816	5,816
8	CASH AND WORKING FUNDS	46,341	631,485	2,534,301	434,203	371,976
9	SPECIAL DEPOSITS	4,266,250	5,366,891	2,846,833	5,600	80,725
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	6,405,182	4,751,312	5,601,931	5,325,001	4,990,789
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	10,321	-	1,337,144	1,359,546
13	MATERIALS AND SUPPLIES	698,501	644,131	635,934	589,422	497,945
14	PREPAYMENTS	1,178,394	950,830	566,800	585,131	483,580
15	OTHER CURRENT AND ACCRUED ASSETS	2,709,000	1,655,100	1,810,000	1,580,000	1,479,316
16	TOTAL CURRENT AND ACCRUED ASSETS	15,303,668	14,010,070	13,995,799	9,856,501	9,263,877
17	UNAMORTIZED DEBT EXPENSE	852,509	930,321	1,016,655	656,287	335,191
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	95,031	-	-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	880,754	357,311	499,834	353,653	448,142
23	TOTAL DEFERRED DEBITS	1,733,263	1,287,632	1,611,520	1,009,940	783,333
24	TOTAL ASSETS AND OTHER DEBITS	$ 81,161,016	$ 72,891,938	$ 67,179,318	$ 57,075,705	$ 52,228,759
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 4,155,769	$ 4,155,769	$ 4,155,769	$ 4,155,769	$ 4,155,769
26	PREFERRED CAPITAL STOCK	3,406,530	3,537,620	3,669,710	3,801,800	3,933,890
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	2,786,454	1,285,454	1,285,454	-	-
32	CAPITAL STOCK EXPENSE	429,810-	429,810-	429,810-	429,810-	429,810-
33	RETAINED EARNINGS	21,010,454	18,861,450	16,736,880	13,929,888	11,592,809
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	30,927,397	27,410,483	25,418,003	21,457,647	19,252,658
36	BONDS (LESS BONDS REACQUIRED)	21,756,500	26,684,500	27,512,500	24,069,268	20,845,023
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	-	-	-	-	-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	22,957-	23,938-	24,918-	-	-
40	TOTAL LONG TERM DEBT	21,733,543	26,660,562	27,487,582	24,069,268	20,845,023
41	NOTES AND ACCOUNTS PAYABLE	5,199,783	3,697,580	2,444,363	3,979,948	5,300,609
42	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	-
43	CUSTOMERS' DEPOSITS	306,411	247,392	194,543	192,996	189,723
44	TAXES ACCRUED	1,340,098	1,011,523	444,002	369,492	647,761
45	OTHER CURRENT AND ACCRUED LIABILITIES	9,614,464	5,115,307	3,830,113	2,161,173	2,153,721
46	TOTAL CURRENT AND ACCRUED LIABILITIES	16,460,756	10,071,802	6,913,021	6,703,609	8,291,814
47	CUSTOMER ADVANCES FOR CONSTRUCTION	50,700	50,700	58,899	39,149	13,786
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	3,715,744	3,579,744	2,603,744	1,723,744	1,024,744
49	OTHER DEFERRED CREDITS	4,294,232	2,886,003	3,226,425	2,236,644	2,224,090
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	2,987,345	1,788,345	993,345	619,345	211,345
52	OTHER	991,299	444,299	478,299	326,299	365,299
53	TOTAL DEFERRED CREDITS	12,039,320	8,749,091	7,360,712	4,845,181	3,839,264
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 81,161,016	$ 72,891,938	$ 67,179,318	$ 57,075,705	$ 52,228,759

SELECTED BALANCE SHEET RELATIONSHIPS

LINE NO.	ITEM	1986	1985	1984	1983	1982
56	CURRENT ASSETS / CURRENT LIABILITIES	0.93	1.39	2.02	1.47	1.12
	PERCENT OF CAPITALIZATION					
57	LONG TERM DEBT	41.2	49.3	51.9	52.8	51.9
58	PREFERRED STOCK	6.4	6.5	6.9	8.3	9.8
59	COMMON STOCK + OTHER PAID-IN CAPITAL	12.3	9.2	9.4	8.1	9.2
60	RETAINED EARNINGS	39.8	34.8	31.6	30.5	28.9
	LONG-TERM DEBT					
61	PERCENT OF GROSS WATER PLANT	25.4	34.1	38.3	36.5	33.9
62	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	24.9	26.3	27.9	29.8	31.3

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

JAMAICA WATER SUPPLY COMPANY

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM	1986	1985	1984	1983	1982	LINE NO.
WATER OPERATING INCOME						
OPERATING REVENUES	$ 41,540,932	$ 39,655,467	$ 37,488,594	$ 33,376,498	$ 31,023,082	1
OPERATION AND MAINTENANCE EXPENSES	24,353,466	21,533,238	19,257,830	16,954,045	15,485,956	2
DEPRECIATION	1,479,356	1,282,634	1,176,438	1,097,692	1,032,681	3
AMORTIZATION	54,132	24,910	25,644	21,632	10,558	4
TAXES OTHER THAN INCOME TAXES	6,442,325	8,098,663	9,061,145	8,526,983	7,449,959	5
INCOME TAXES	2,710,000	2,386,000	1,940,000	1,312,000	1,551,059	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	35,039,289	33,325,445	31,461,057	27,912,352	25,531,213	9
NET OPERATING REVENUES	6,501,643	6,330,022	6,027,537	5,464,146	5,491,869	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	6,501,643	6,330,022	6,027,537	5,464,146	5,491,869	12
OTHER INCOME						
INCOME FROM MDSE, JOBBING-CONTRACT WORK	-	-	-	-	-	13
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	14
NONOPERATING RENTAL INCOME	-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME	291,106	431,898	16,562	21,104	16,989	16
ALLOWANCE FOR CONSTRUCTION FUNDS	58,452	112,013	143,111	57,962	14,532	17
MISCELLANEOUS NONOPERATING INCOME	-	-	-	-	-	18
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	19
TOTAL OTHER INCOME	349,558	543,911	159,673	79,066	31,521	20
TOTAL INCOME	6,851,201	6,873,933	6,187,210	5,543,212	5,523,390	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS	-	-	50,000	150,000	-	24
TAXES OTHER THAN INC TAXES-NONOPERATING	-	-	-	-	-	25
INCOME TAXES-NONOPERATING	60,000	149,000	85,000-	156,000-	25,909-	26
TOTAL OTHER INCOME DEDUCTIONS	60,000	149,000	35,000-	6,000-	25,909-	27
INCOME BEFORE INTEREST CHARGES	6,791,201	6,724,933	6,222,210	5,549,212	5,549,299	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	2,839,709	3,077,032	2,762,055	2,483,985	2,409,068	29
AMORT OF DEBT DISCOUNT EXPENSE	78,792	100,595	73,167	57,989	53,523	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	18,240	14,024	-	32
OTHER INTEREST CHARGES	47,350	34,224	250,108	329,617	632,976	33
TOTAL INTEREST CHARGES	2,965,851	3,211,851	3,103,570	2,885,615	3,095,567	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS	-	-	-	-	-	37
NET EXTRAORDINARY ITEMS	-	-	-	-	-	38
NET INCOME	$ 3,825,350	$ 3,513,082	$ 3,118,640	$ 2,663,597	$ 2,453,732	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YRS	18,861,450	$ 16,736,880	$ 13,929,888	$ 11,592,809	$ 9,480,465	40
BALANCE TRANSFERRED FROM INCOME	3,825,350	3,513,082	3,118,640	2,663,597	2,453,732	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK	282,018	296,778	311,648	326,518	341,388	43
-COMMON STOCK	1,394,328	1,091,734	-	-	-	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	21,010,454	18,861,450	16,736,880	13,929,888	11,592,809	46
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 21,010,454	$ 18,861,450	$ 16,736,880	$ 13,929,888	$ 11,592,809	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1986	1985	1984	1983	1982	LINE NO.
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	58.6	54.3	51.3	50.7	49.9	49
DEPRECIATION AND AMORTIZATION	3.6	3.2	3.2	3.3	3.3	50
INCOME TAXES	6.5	6.0	5.1	3.9	4.9	51
OTHER TAXES	15.5	20.4	24.1	25.5	24.0	52
TOTAL OPERATING EXPENSES	84.3	84.0	83.9	83.6	82.2	53
OPERATING INCOME	15.6	15.9	16.0	16.3	17.7	54
INTEREST EXPENSE:						
PRETAX COVERAGE	3.2	2.9	2.6	2.3	2.3	55
NET INCOME - % OF OPERATING REVENUES	9.2	8.8	8.3	7.9	7.9	56
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF EARNINGS AVAILABLE FOR COMMON	39.3	33.9	-	-	-	57
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON EQUITY	13.7	14.1	14.2	14.1	14.8	58

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

JAMAICA WATER SUPPLY COMPANY

LINE NO.	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 3,825,350	$ 3,513,082	$ 3,118,840	$ 2,663,597	$ 2,453,732
	NON CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	1,970,803	2,191,184	1,636,748	1,749,496	1,363,838
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	1,882,000	1,737,000	1,506,000	968,000	1,135,696
4	INTEREST CAPITALIZED	58,452-	112,013-	143,111-	57,982-	14,532-
5	OTHER (NET):	43,031	38,987	1,054,109	37,917	395,426
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	7,662,732	7,368,240	7,172,586	5,361,048	5,334,160
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	7,662,732	7,368,240	7,172,586	5,361,048	5,334,160
10	LESS DIVIDENDS: PREFERRED	282,018	296,778	311,848	326,518	341,388
11	COMMON	1,394,328	1,091,734	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	5,986,386	5,979,728	6,860,738	5,034,530	4,992,772
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	2,300,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	5,000,000	5,000,000	-
17	OTHER (NET):	1,500,000	-	1,285,454	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	1,500,000	-	6,285,454	5,000,000	2,300,000
20	OTHER SOURCES (NET):	6,504,566	3,146,490	-	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 13,990,952	$ 9,126,218	$ 13,146,192	$ 10,034,530	$ 7,292,772
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 7,648,155	$ 7,182,489	$ 6,487,806	$ 4,985,488	$ 3,203,026
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	7,648,155	7,182,489	6,487,806	4,985,488	3,203,026
28	LESS INTEREST CAPITALIZED	58,452	112,013	143,111	57,982	14,532
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	7,589,703	7,070,476	6,344,696	4,927,506	3,188,494
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	4,928,000	828,000	1,556,768	1,775,755	1,876,250
31	PREFERRED STOCK	132,090	132,090	132,090	132,090	132,090
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	1,750,000	2,050,000	-
34	OTHER (NET):	-	-	24,918	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	5,060,090	960,090	3,463,776	3,957,845	2,008,340
37	OTHER USES (NET)	1,341,159	1,095,652	2,337,721	1,149,179	2,095,938
38						
39						
40	TOTAL FUNDS APPLIED	$ 13,990,952	$ 9,126,218	$ 13,146,192	$ 10,034,530	$ 7,292,772

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

JAMAICA WATER SUPPLY COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 28,560,480	$ 23,085,122	$ 17,289,016	$ 11,824,099	$ 9,259,538	1
UNMETERED SALES TO GENERAL CUSTOMERS	5,592,162	10,887,459	14,411,278	16,582,465	17,093,840	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	6,770,034	5,013,616	5,108,951	4,366,032	4,088,116	4
TOTAL REVENUES FROM SALES OF WATER	40,922,676	38,986,197	36,809,245	32,772,596	30,441,494	5
OTHER WATER OPERATING REVENUES	618,256	669,270	679,349	603,902	581,588	6
TOTAL WATER OPERATING REVENUES	$ 41,540,932	$ 39,655,467	$ 37,488,594	$ 33,376,498	$ 31,023,082	7
WATER SALES (T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	17,524,000	15,057,000	12,599,178	9,963,157	8,991,083	8
UNMETERED SALES TO GENERAL CUSTOMERS	4,533,000	7,766,000	11,221,900	15,340,115	17,694,579	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	22,057,000	22,823,000	23,821,078	25,303,272	26,685,662	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	93,982	76,930	53,996	35,981	30,708	13
UNMETERED SALES TO GENERAL CUSTOMERS	23,384	39,828	62,764	80,668	86,167	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	808	784	778	775	775	16
TOTAL CUSTOMERS	118,174	117,542	117,538	117,424	117,650	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 303.89	$ 300.07	$ 320.19	$ 328.62	$ 301.53	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	186.46	195.72	233.33	276.90	292.79	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	162.98	153.32	137.22	118.68	102.99	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 239.14	$ 273.36	$ 229.61	$ 205.56	$ 198.38	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	193.85	194.98	178.79	190.16	205.35	22
AVG. REVENUE PER T GALLONS SOLD (CENTS)	123.37	140.19	128.42	108.10	96.60	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 494,639	$ 498,185	$ 747,278	$ 756,696	$ 591,973	24
POWER AND PUMPING EXPENSES	5,332,661	5,647,272	5,973,924	6,102,409	5,977,408	25
PURIFICATION EXPENSES	2,066,257	1,734,604	1,408,194	1,306,865	1,240,665	26
TRANSMISSION AND DISTRIBUTION EXPENSES	6,641,970	5,498,201	4,288,223	3,102,749	2,356,885	27
CUSTOMERS ACCT'G-COLLECTING EXPENSES	3,264,173	3,244,575	2,597,949	2,126,420	1,961,333	28
ADMINISTRATIVE-GENERAL EXPENSES	6,553,766	4,910,401	4,242,262	3,558,906	3,358,692	29
TOTAL WATER OPERATION-MAINT. EXPENSES	$ 24,353,466	$ 21,533,238	$ 19,257,830	$ 16,954,045	$ 15,486,956	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 83,991,375	$ 77,199,743	$ 70,829,031	$ 64,972,186	$ 60,533,430	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	1,560,439	1,100,934	936,086	1,013,319	1,050,972	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	152,110-	152,110-	152,110-	152,110-	152,110-	37
TOTAL WATER UTILITY PLANT	85,399,704	78,148,567	71,613,007	65,833,395	61,432,292	38
ACCUM PROV FOR DEPR. AMORT., DEPLETION	21,281,435	20,560,147	20,047,824	19,629,947	19,256,559	39
NET WATER UTILITY PLANT	$ 64,118,269	$ 57,588,420	$ 51,565,183	$ 46,203,448	$ 42,175,733	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 77,199,743	$ 70,829,031	$ 64,972,186	$ 60,533,430	$ 58,007,494	41
ADDITIONS	7,361,933	7,496,695	6,569,779	5,022,959	2,941,567	42
RETIREMENTS	459,513	594,293	594,913	583,323	410,171	43
TRANSFERS AND ADJUSTMENTS	110,788-	531,690-	118,021-	880-	5,460-	44
PLANT IN SERVICE END OF YEAR	$ 83,991,375	$ 77,199,743	$ 70,829,031	$ 64,972,186	$ 60,533,430	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

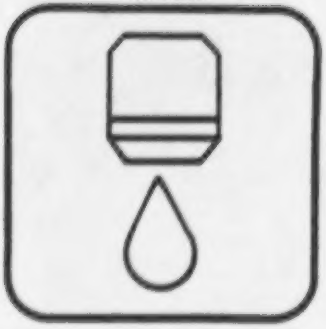
DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

JAMAICA WATER SUPPLY COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 41,540,932	$ 39,655,467	$ 37,488,594	$ 33,376,498	$ 31,023,082
2	SALES (THOUSAND GALLONS)	22,057,000	22,823,000	23,821,078	25,303,272	26,685,662
	DOLLAR AMOUNTS					
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 3,593,822	$ 4,185,585	$ 5,186,962	$ 5,505,975	$ 5,492,204
4	WAGES AND BENEFITS	9,521,489	8,521,320	7,500,344	6,307,570	5,668,176
5	OTHER OPERATION AND MAINTENANCE EXPENSES	11,238,156	8,826,333	6,570,524	5,140,500	4,336,576
6	DEPRECIATION AND AMORTIZATION EXPENSES	1,533,498	1,307,544	1,202,082	1,119,324	1,043,239
7	INCOME TAXES - OPERATING	2,710,000	2,386,000	1,940,000	1,312,000	1,551,059
8	OTHER TAXES - OPERATING	6,442,325	8,098,663	9,061,145	8,526,983	7,449,959
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2,939,816	3,156,181	3,034,018	2,857,156	3,088,286
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	279,432	291,401	303,777	322,808	340,356
11	EARNINGS AVAILABLE FOR COMMON EQUITY	3,282,395	2,882,440	2,689,742	2,284,182	2,053,227
12	TOTAL	$ 41,540,932	$ 39,655,467	$ 37,488,594	$ 33,376,498	$ 31,023,082
	PERCENT OF REVENUES					
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	8.7	10.6	13.8	16.5	17.7
14	WAGES AND BENEFITS	22.9	21.5	20.0	18.9	18.2
15	OTHER OPERATION AND MAINTENANCE EXPENSES	27.1	22.3	17.5	15.4	14.0
16	DEPRECIATION AND AMORTIZATION EXPENSES	3.7	3.3	3.2	3.4	3.4
17	INCOME TAXES - OPERATING	6.5	6.0	5.2	3.9	5.0
18	OTHER TAXES - OPERATING	15.5	20.4	24.2	25.5	24.0
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	7.1	8.0	8.1	8.6	10.0
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	0.7	0.7	0.8	1.0	1.1
21	EARNINGS AVAILABLE FOR COMMON EQUITY	7.9	7.3	7.2	6.8	6.7
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	CENTS PER THOUSAND GALLONS SOLD					
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	16.29	18.34	21.77	21.76	20.58
24	WAGES AND BENEFITS	43.17	37.34	31.49	24.93	21.20
25	OTHER OPERATION AND MAINTENANCE EXPENSES	50.95	38.67	27.58	20.32	16.25
26	DEPRECIATION AND AMORTIZATION EXPENSES	6.95	5.73	5.05	4.42	3.91
27	INCOME TAXES - OPERATING	12.29	10.45	8.14	5.19	5.81
28	OTHER TAXES - OPERATING	29.21	35.48	38.04	33.70	27.92
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	13.33	13.83	12.74	11.29	11.57
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.27	1.28	1.28	1.28	1.28
31	EARNINGS AVAILABLE FOR COMMON EQUITY	14.88	12.63	11.29	9.03	7.73
32	TOTAL	188.33	173.75	157.38	131.91	116.25

WATER



MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

LONG ISLAND WATER CORPORATION

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 45,173,345	$ 43,489,008	$ 42,195,102	$ 41,103,012	$ 40,166,469
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	13,835,996	13,226,724	12,581,639	11,983,083	11,408,172
3	NET WATER PLANT	31,337,349	30,262,284	29,613,463	29,119,929	28,758,297
4	OTHER PHYSICAL PROPERTY	63,368	63,368	63,368	63,368	63,368
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	63,368	63,368	63,368	63,368	63,368
8	CASH AND WORKING FUNDS	84,232	131,654	98,276	124,876	68,186
9	SPECIAL DEPOSITS	250	250	250	250	250
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	2,097,977	2,164,483	1,974,852	1,896,839	1,728,962
12	RECEIVABLES FROM ASSOCIATED COMPANIES	14,577	-	-	-	-
13	MATERIALS AND SUPPLIES	538,183	491,686	524,624	545,112	568,582
14	PREPAYMENTS	205,128	249,183	231,967	222,113	196,367
15	OTHER CURRENT AND ACCRUED ASSETS	1,296,403	1,221,447	1,194,570	1,136,502	1,033,641
16	TOTAL CURRENT AND ACCRUED ASSETS	4,298,748	4,258,703	4,024,539	3,927,694	3,594,968
17	UNAMORTIZED DEBT EXPENSE	270,302	298,908	202,120	223,112	244,166
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	23,523	16,772	10,596	13,710	9,592
20	CLEARING ACCOUNTS	26	682	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	292,486	125,765	253,011	75,359	161,158
23	TOTAL DEFERRED DEBITS	586,336	442,127	465,727	312,181	414,916
24	TOTAL ASSETS AND OTHER DEBITS	$ 36,285,801	$ 35,026,482	$ 34,167,097	$ 33,423,172	$ 32,831,549
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 10,000,000	$ 10,000,000	$ 10,000,000	$ 10,000,000	$ 10,000,000
26	PREFERRED CAPITAL STOCK	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	4,636,931	4,162,279	4,329,336	4,448,514	4,114,973
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	15,760,931	15,287,283	15,454,336	15,573,514	15,239,973
36	BONDS (LESS BONDS REACQUIRED)	13,940,000	15,580,000	11,920,000	13,500,000	13,680,000
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	-	-	-	-	-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	13,940,000	15,580,000	11,920,000	13,500,000	13,680,000
41	NOTES AND ACCOUNTS PAYABLE	1,004,128	985,797	896,700	971,729	715,348
42	PAYABLES TO ASSOCIATED COMPANIES	1,958,553	559,246-	2,955,281	865,236	749,833
43	CUSTOMERS DEPOSITS	127,764	118,636	124,213	130,800	116,558
44	TAXES ACCRUED	618,778	1,101,526	619,936	574,826	661,355
45	OTHER CURRENT AND ACCRUED LIABILITIES	808,774	777,942	748,685	708,005	682,925
46	TOTAL CURRENT AND ACCRUED LIABILITIES	4,517,997	2,404,665	5,344,875	3,240,596	2,926,019
47	CUSTOMER ADVANCES FOR CONSTRUCTION	435,356	382,389	240,760	258,970	303,261
48	ACCUM DEFERRED INVESTMENT TAX CREDITS	628,329	639,194	572,589	443,547	354,382
49	OTHER DEFERRED CREDITS	91,438	73,527	68,527	49,998	28,083
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	794,173	620,643	469,306	334,893	227,676
52	OTHER	117,677	38,795	96,704	21,654	72,155
53	TOTAL DEFERRED CREDITS	2,066,873	1,764,547	1,447,886	1,109,062	985,557
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 36,285,801	$ 35,026,482	$ 34,167,097	$ 33,423,172	$ 32,831,549
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	CURRENT ASSETS / CURRENT LIABILITIES	0.95	1.77	0.75	1.21	1.23
	PERCENT OF CAPITALIZATION					
57	LONG TERM DEBT	46.9	50.4	43.5	46.4	47.3
58	PREFERRED STOCK	3.7	3.6	4.1	3.8	3.8
59	COMMON STOCK + OTHER PAID-IN CAPITAL	33.6	32.3	36.5	34.3	34.5
60	RETAINED EARNINGS	15.8	13.4	15.8	15.3	14.2
	LONG-TERM DEBT					
61	PERCENT OF GROSS WATER PLANT	30.8	35.8	28.2	32.8	34.0
62	ACCUMULATED PROVISION FOR DEPRE +AMORT PERCENT OF WATER PLANT	30.6	30.4	29.8	29.1	28.4

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

LONG ISLAND WATER CORPORATION

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM	1986	1985	1984	1983	1982	LINE NO.
WATER OPERATING INCOME						
OPERATING REVENUES	$ 23,630,022	$ 22,395,060	$ 21,101,766	$ 20,522,055	$ 18,299,886	1
OPERATION AND MAINTENANCE EXPENSES	8,545,319	7,903,629	7,369,012	7,056,784	6,291,550	2
DEPRECIATION	672,910	656,527	627,721	611,777	593,621	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	8,861,123	8,599,434	7,854,526	7,546,702	6,520,319	5
INCOME TAXES	1,641,535	1,451,978	1,567,344	1,567,381	1,461,419	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	19,720,887	18,611,568	17,418,603	16,782,644	14,866,909	9
NET OPERATING REVENUES	3,909,135	3,783,492	3,683,163	3,739,411	3,432,977	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	400	1,100	1,000	11
TOTAL WATER OPERATING INCOME	3,909,135	3,783,492	3,683,563	3,740,511	3,433,977	12
OTHER INCOME						
INCOME FROM MDSE, JOBBING-CONTRACT WORK	1,353-	2,144	63-	11,203	-	13
INCOME FROM NONUTILITY OPERATIONS	526-	796	1,702	-	-	14
NONOPERATING RENTAL INCOME	-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME	-	-	81	67	16,762	16
ALLOWANCE FOR CONSTRUCTION FUNDS	31,890	1,919	34,290	8,552	8,411	17
MISCELLANEOUS NONOPERATING INCOME	9	-	-	10,891	-	18
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	19
TOTAL OTHER INCOME	30,020	4,858	36,010	30,713	25,173	20
TOTAL INCOME	3,939,155	3,788,350	3,719,573	3,771,224	3,459,150	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION	44,278	44,278	-	-	-	23
MISCELLANEOUS DEDUCTIONS	19,583	10,657	13,650	11,800	10,554	24
TAXES OTHER THAN INC TAXES-NONOPERATING	12,523	11,760	11,010	14,408	21,128	25
INCOME TAXES-NONOPERATING	10,864-	17,275	908-	7,050-	14,832-	26
TOTAL OTHER INCOME DEDUCTIONS	65,520	83,970	23,752	19,158	16,850	27
INCOME BEFORE INTEREST CHARGES	3,873,635	3,704,380	3,695,821	3,752,066	3,442,300	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	1,608,615	1,731,873	1,293,884	1,390,662	1,285,188	29
AMORT OF DEBT DISCOUNT EXPENSE	28,606	28,812	20,992	21,054	18,731	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	12,927	87,059-	136,357	40,573	4,872	32
OTHER INTEREST CHARGES	20,714	14,186	13,641	14,381	19,001	33
TOTAL INTEREST CHARGES	1,670,862	1,687,812	1,464,874	1,466,650	1,328,792	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS	-	-	-	-	-	37
NET EXTRAORDINARY ITEMS	-	-	-	-	-	38
NET INCOME	$ 2,202,773	$ 2,016,568	$ 2,230,947	$ 2,285,416	$ 2,113,508	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR$	4,162,284	$ 4,329,336	$ 4,448,514	$ 4,114,973	$ 3,901,590	40
BALANCE TRANSFERRED FROM INCOME	2,202,772	2,016,568	2,230,947	2,285,416	2,113,508	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK	50,625	50,625	50,625	50,625	50,625	43
-COMMON STOCK	1,678,500	2,133,000	2,299,500	1,901,250	1,849,500	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	4,636,931	4,162,279	4,329,336	4,448,514	4,114,973	46
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 4,636,931	$ 4,162,279	$ 4,329,336	$ 4,448,514	$ 4,114,973	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1986	1985	1984	1983	1982	LINE NO.
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	36.1	35.2	34.9	34.3	34.3	49
DEPRECIATION AND AMORTIZATION	2.8	2.9	2.9	2.9	3.2	50
INCOME TAXES	6.9	6.4	7.4	7.6	7.9	51
OTHER TAXES	37.4	38.3	37.2	36.7	35.6	52
TOTAL OPERATING EXPENSES	83.4	83.1	82.5	81.7	81.2	53
OPERATING INCOME	16.5	16.9	17.4	18.2	18.7	54
INTEREST EXPENSE						
PRETAX COVERAGE	3.3	3.1	3.6	3.6	3.7	55
NET INCOME - % OF OPERATING REVENUES	9.3	9.0	10.5	11.1	11.6	56
DIVIDEND APPROPRIATIONS, COMMON STOCK:						
PERCENT OF EARNINGS AVAILABLE FOR COMMON	77.9	108.4	105.4	85.0	89.6	57
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	14.9	13.8	15.1	15.6	14.7	58

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

LONG ISLAND WATER CORPORATION

LINE NO.	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 2,202,772	$ 2,076,568	$ 2,230,947	$ 2,285,416	$ 2,113,508
	NON CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	701,516	685,339	648,713	632,831	701,228
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	241,448	100,032	338,505	145,881	232,698
4	INTEREST CAPITALIZED	31,890-	1,919-	34,290-	8,552-	8,411-
5	OTHER (NET)	165,578-	25,948	172,928-	55,844	291,746-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	2,948,268	2,885,968	3,010,947	3,111,420	2,747,277
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	2,948,268	2,885,968	3,010,947	3,111,420	2,747,277
10	LESS DIVIDENDS PREFERRED	50,625	50,625	50,625	50,625	50,625
11	COMMON	1,678,500	2,133,000	2,299,500	1,901,250	1,849,500
12	NET FUNDS FROM INTERNAL SOURCES	1,219,143	702,343	660,822	1,159,545	847,152
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	4,000,000	-	-	4,000,000
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	2,517,799	-	2,100,045	105,403	-
17	OTHER (NET)	187,485-	-	226,927	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	2,330,314	4,000,000	2,326,972	105,403	4,000,000
20	OTHER SOURCES (NET)	7,415	340,139	92,611-	17,970	125,123
21						
22						
23	TOTAL FUNDS PROVIDED	$ 3,556,872	$ 5,042,482	$ 2,895,183	$ 1,282,918	$ 4,972,275
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 1,928,678	$ 1,449,346	$ 1,318,460	$ 1,083,491	$ 1,278,839
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	1,928,678	1,449,346	1,318,460	1,083,491	1,278,839
28	LESS INTEREST CAPITALIZED	31,890	1,919	34,290	8,552	8,411
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,896,788	1,447,427	1,284,170	1,074,939	1,270,428
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	340,000	340,000	1,580,000	180,000	1,780,000
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	1,300,000	3,514,527	-	-	1,886,209
34	OTHER (NET)	-	1,300,000-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	1,640,000	2,554,527	1,580,000	180,000	3,666,209
37	OTHER USES (NET)	20,084	1,040,528	31,013	27,979	35,638
38						
39						
40	TOTAL FUNDS APPLIED	$ 3,556,872	$ 5,042,482	$ 2,895,183	$ 1,282,918	$ 4,972,275

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

LONG ISLAND WATER CORPORATION

ITEM	1986	1985	1984	1983	1982	LINE NO
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 21,757,952	$ 20,547,671	$ 19,369,833	$ 18,841,099	$ 16,772,401	1
UNMETERED SALES TO GENERAL CUSTOMERS	5,105	5,828	3,333	8,357	2,264	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	1,817,842	1,778,254	1,670,165	1,623,042	1,473,986	4
TOTAL REVENUES FROM SALES OF WATER	23,580,899	22,331,753	21,043,331	20,472,498	18,248,651	5
OTHER WATER OPERATING REVENUES	49,123	63,307	58,435	49,557	51,235	6
TOTAL WATER OPERATING REVENUES	$ 23,630,022	$ 22,395,060	$ 21,101,766	$ 20,522,055	$ 18,299,886	7
WATER SALES (T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	10,018,449	9,438,764	9,339,926	9,466,051	8,922,026	8
UNMETERED SALES TO GENERAL CUSTOMERS	1,618	1,717	1,305	3,506	1,079	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	10,020,067	9,440,481	9,341,231	9,469,557	8,923,105	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	71,543	71,202	70,929	70,883	70,593	13
UNMETERED SALES TO GENERAL CUSTOMERS	7	8	5	9	3	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	526	509	500	428	412	16
TOTAL CUSTOMERS	72,076	71,719	71,434	71,320	71,008	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 304.12	$ 288.58	$ 273.08	$ 265.80	$ 237.59	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	140.03	132.56	131.67	133.54	126.38	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	217.18	217.69	207.39	199.04	187.99	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 729.28	$ 728.50	$ 666.60	$ 928.55	$ 754.66	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	231.14	214.62	261.00	389.55	359.66	22
AVG. REVENUE PER T GALLONS SOLD(CENTS)	315.51	339.43	255.40	238.36	209.82	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 78,563	$ 82,143	$ 77,555	$ 81,540	$ 75,697	24
POWER AND PUMPING EXPENSES	2,013,004	2,117,490	1,931,356	1,924,094	1,753,194	25
PURIFICATION EXPENSES	769,815	680,240	700,682	634,153	573,738	26
TRANSMISSION AND DISTRIBUTION EXPENSES	1,790,602	1,671,803	1,611,286	1,595,001	1,362,990	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	1,439,380	1,396,334	1,283,316	1,246,990	1,100,068	28
ADMINISTRATIVE+GENERAL EXPENSES	2,453,865	1,955,619	1,764,817	1,575,006	1,425,863	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 8,545,319	$ 7,903,629	$ 7,369,012	$ 7,056,784	$ 6,291,550	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 43,566,489	$ 42,067,975	$ 41,185,026	$ 39,851,742	$ 38,932,211	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	698,921	468,820	13,586	254,780	237,768	33
PLANT HELD FOR FUTURE USE	110,933	110,933	110,933	110,933	110,933	34
PLANT ACQUISITION ADJUSTMENTS	797,002	841,280	885,557	885,557	885,557	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	45,173,345	43,489,008	42,195,102	41,103,012	40,166,469	38
ACCUM PROV FOR DEPR. AMORT., DEPLETION	13,835,996	13,226,724	12,581,639	11,983,083	11,408,172	39
NET WATER UTILITY PLANT	$ 31,337,349	$ 30,262,284	$ 29,613,463	$ 29,119,929	$ 28,758,297	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 42,067,975	$ 41,185,026	$ 39,851,742	$ 38,932,211	$ 37,891,384	41
ADDITIONS	1,714,431	990,851	1,467,770	1,055,450	1,164,003	42
RETIREMENTS	187,485	107,902	134,486	135,919	123,176	43
TRANSFERS AND ADJUSTMENTS	28,432-	-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 43,566,489	$ 42,067,975	$ 41,185,026	$ 39,851,742	$ 38,932,211	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

LONG ISLAND WATER CORPORATION

LINE NO.	ITEM		1986		1985		1984		1983		1982
1	REVENUES	$	23,630,022	$	22,396,080	$	21,101,766	$	20,522,085	$	18,299,886
2	SALES (THOUSAND GALLONS)		10,020,067		9,440,481		9,341,231		9,469,567		8,923,105
							DOLLAR AMOUNTS				
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$	1,563,792	$	1,682,401	$	1,549,773	$	1,533,075	$	1,405,618
4	WAGES AND BENEFITS		4,696,245		4,185,211		3,958,155		3,736,849		3,336,220
5	OTHER OPERATION AND MAINTENANCE EXPENSES		2,285,282		2,036,017		1,860,664		1,785,760		1,549,712
6	DEPRECIATION AND AMORTIZATION EXPENSES		672,910		656,527		627,721		611,777		593,621
7	INCOME TAXES - OPERATING		1,641,536		1,451,978		1,567,344		1,567,381		1,461,419
8	OTHER TAXES - OPERATING		8,861,123		8,599,434		7,854,526		7,546,702		6,520,319
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		1,657,627		1,686,943		1,452,256		1,463,409		1,325,604
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		50,205		50,600		50,145		50,505		50,499
11	EARNINGS AVAILABLE FOR COMMON EQUITY		2,201,403		2,045,949		2,181,162		2,226,597		2,057,874
12	TOTAL	$	23,630,022	$	22,396,080	$	21,101,766	$	20,522,085	$	18,299,886
							PERCENT OF REVENUES				
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT		6.6		7.5		7.3		7.5		7.7
14	WAGES AND BENEFITS		19.9		18.7		18.8		18.2		18.2
15	OTHER OPERATION AND MAINTENANCE EXPENSES		9.7		9.1		8.8		8.7		8.5
16	DEPRECIATION AND AMORTIZATION EXPENSES		2.8		2.9		3.0		3.0		3.2
17	INCOME TAXES - OPERATING		6.9		6.5		7.4		7.6		8.0
18	OTHER TAXES - OPERATING		37.5		38.4		37.2		36.8		35.6
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		7.0		7.5		6.9		7.1		7.2
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		0.2		0.2		0.2		0.2		0.3
21	EARNINGS AVAILABLE FOR COMMON EQUITY		9.3		9.1		10.3		10.8		11.2
22	TOTAL		100.0		100.0		100.0		100.0		100.0
							CENTS PER THOUSAND GALLONS SOLD				
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT		15.61		17.82		16.59		16.19		15.75
24	WAGES AND BENEFITS		46.87		44.33		42.37		39.46		37.38
25	OTHER OPERATION AND MAINTENANCE EXPENSES		22.81		21.57		19.92		18.86		17.37
26	DEPRECIATION AND AMORTIZATION EXPENSES		6.72		6.95		6.72		6.46		6.65
27	INCOME TAXES - OPERATING		16.38		15.38		16.78		16.55		16.38
28	OTHER TAXES - OPERATING		88.43		91.09		84.08		79.69		73.07
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		16.54		17.87		15.55		15.45		14.86
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		0.50		0.54		0.54		0.53		0.57
31	EARNINGS AVAILABLE FOR COMMON EQUITY		21.97		21.67		23.36		23.51		23.06
32	TOTAL		235.83		237.22		225.90		216.72		205.08

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

NEW ROCHELLE WATER COMPANY, THE

LINE NO.	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 30,290,520	$ 28,928,743	$ 27,422,296	$ 26,051,953	$ 25,007,394
2	ACCUMULATED PROVISION FOR DEPRE+AMORT.	7,012,182	6,617,188	6,344,504	5,992,404	5,695,451
3	NET WATER PLANT	23,278,338	22,311,555	21,077,792	20,059,549	19,311,943
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-	-	-	-	-
8	CASH AND WORKING FUNDS	4,503,508	3,571,693	2,504,362	118,837	189,082
9	SPECIAL DEPOSITS	800	800	1,350	1,350	1,350
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	535,773	600,821	981,832	945,886	911,904
12	RECEIVABLES FROM ASSOCIATED COMPANIES	10,926	10,471	10,235	1,309,464	5,770
13	MATERIALS AND SUPPLIES	151,643	143,968	133,153	140,080	153,027
14	PREPAYMENTS	198,211	127,869	113,733	114,717	107,490
15	OTHER CURRENT AND ACCRUED ASSETS	1,790,927	1,919,871	1,592,697	1,450,277	1,405,766
16	TOTAL CURRENT AND ACCRUED ASSETS	7,191,687	6,375,493	5,337,362	4,080,611	2,774,389
17	UNAMORTIZED DEBT EXPENSE	-	-	-	-	-
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	10,880	-	-
20	CLEARING ACCOUNTS	1,831	575	19,930	9,181	7,835
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	437,292	436,661	521,202	435,303	506,661
23	TOTAL DEFERRED DEBITS	439,123	437,236	552,012	444,484	514,496
24	TOTAL ASSETS AND OTHER DEBITS	$ 30,909,148	$ 29,124,284	$ 26,967,166	$ 24,584,644	$ 22,600,828
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000
26	PREFERRED CAPITAL STOCK	30,600	30,600	30,600	30,600	975,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	283,914	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	9,003,497	9,003,497	9,003,497	9,003,497	9,350,697
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	15,829,001	14,477,857	13,074,548	11,328,005	9,593,372
34	REACQUIRED CAPITAL STOCK	-	-	-	-	1,291,225-
35	TOTAL PROPRIETARY CAPITAL	25,197,012	23,561,954	22,158,645	20,412,102	18,677,844
36	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	-	-	-	-	-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	-	-	-	-	-
41	NOTES AND ACCOUNTS PAYABLE	308,293	697,119	605,593	311,508	238,288
42	PAYABLES TO ASSOCIATED COMPANIES	12,834	322,641	22,739	11,241	9,181
43	CUSTOMERS' DEPOSITS	23,702	24,056	23,994	23,580	28,511
44	TAXES ACCRUED	210,259	99,416	74,783	256,253	213,533
45	OTHER CURRENT AND ACCRUED LIABILITIES	645,274	627,340	684,211	874,475	848,360
46	TOTAL CURRENT AND ACCRUED LIABILITIES	1,200,362	1,770,572	1,411,320	1,477,057	1,337,873
47	CUSTOMER ADVANCES FOR CONSTRUCTION	1,329,561	753,963	643,764	234,236	269,333
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	840,136	880,739	744,167	618,602	528,074
49	OTHER DEFERRED CREDITS	882	383-	9-	-	-
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	861,436	663,069	486,189	378,061	270,333
52	OTHER	196,403	201,014	239,734	181,230	234,015
53	TOTAL DEFERRED CREDITS	3,228,418	2,508,402	2,113,845	1,412,129	1,301,755
54	OPERATING RESERVES	1,283,356	1,283,356	1,283,356	1,283,356	1,283,356
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 30,909,148	$ 29,124,284	$ 26,967,166	$ 24,584,644	$ 22,600,828
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	CURRENT ASSETS / CURRENT LIABILITIES	5.99	3.60	3.78	2.76	2.07
	PERCENT OF CAPITALIZATION					
57	LONG TERM DEBT	-	-	-	-	-
58	PREFERRED STOCK	0.1	0.1	0.1	0.1	5.2
59	COMMON STOCK + OTHER PAID-IN CAPITAL	37.0	38.4	40.8	44.3	43.4
60	RETAINED EARNINGS	62.8	61.4	59.0	55.4	51.3
	LONG-TERM DEBT					
61	PERCENT OF GROSS WATER PLANT	-	-	-	-	-
62	ACCUMULATED PROVISION FOR DEPRE.+AMORT. PERCENT OF WATER PLANT	23.1	22.8	23.1	23.0	22.7

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

NEW ROCHELLE WATER COMPANY, THE

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM	1986	1985	1984	1983	1982	LINE NO.
WATER OPERATING INCOME						
OPERATING REVENUES	$ 12,069,653	$ 11,267,561	$ 11,667,066	$ 11,416,082	$ 9,743,045	1
OPERATION AND MAINTENANCE EXPENSES	4,678,278	4,395,033	4,393,564	4,207,870	4,035,613	2
DEPRECIATION	502,133	477,101	448,253	428,677	383,703	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	3,085,961	3,018,001	2,855,206	2,762,862	2,348,905	5
INCOME TAXES	1,310,064	1,026,427	1,217,022	1,233,672	744,267	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	9,576,434	8,906,562	8,914,105	8,633,081	7,512,488	9
NET OPERATING REVENUES	2,493,219	2,360,999	2,752,961	2,783,001	2,230,557	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	2,493,219	2,360,999	2,752,961	2,783,001	2,230,557	12
OTHER INCOME						
INCOME FROM MDSE, JOBBING-CONTRACT WORK	15,062	1,063	1,577-	2,683-	5,237	13
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	14
NONOPERATING RENTAL INCOME	-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME	-	-	-	-	-	16
ALLOWANCE FOR CONSTRUCTION FUNDS	-	2,473	-	51	1,090	17
MISCELLANEOUS NONOPERATING INCOME	264,579	4,440	22,220	2,612	5,899	18
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	19
TOTAL OTHER INCOME	279,641	7,976	20,643	20-	12,226	20
TOTAL INCOME	2,772,860	2,368,975	2,773,604	2,782,981	2,242,783	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS	-	-	3,269	1,003	814	24
TAXES OTHER THAN INC TAXES-NONOPERATING	-	-	-	-	-	25
INCOME TAXES-NONOPERATING	15,784-	18,850-	16,510-	16,584-	13,177	26
TOTAL OTHER INCOME DEDUCTIONS	15,784-	18,850-	13,241-	15,581-	13,991	27
INCOME BEFORE INTEREST CHARGES	2,788,644	2,387,825	2,786,845	2,798,562	2,228,792	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	-	-	-	-	-	29
AMORT OF DEBT DISCOUNT EXPENSE	-	-	-	-	-	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	1,070,872	990,828	1,039,231	1,063,684	1,107,020	32
OTHER INTEREST CHARGES	3,518	6,312-	1,071	245	3,729	33
TOTAL INTEREST CHARGES	1,074,390	984,516	1,040,302	1,063,929	1,110,749	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS	-	-	-	-	-	37
NET EXTRAORDINARY ITEMS	-	-	-	-	-	38
NET INCOME	$ 1,714,254	$ 1,403,309	$ 1,746,543	$ 1,734,633	$ 1,118,043	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 14,477,857	$ 13,074,548	$ 11,328,005	$ 9,593,372	$ 8,475,329	40
BALANCE TRANSFERRED FROM INCOME	1,714,254	1,403,309	1,746,543	1,734,633	1,118,043	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK	77,110	-	-	-	-	43
-COMMON STOCK	286,000	-	-	-	-	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	15,829,001	14,477,857	13,074,548	11,328,005	9,593,372	46
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 15,829,001	$ 14,477,857	$ 13,074,548	$ 11,328,005	$ 9,593,372	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1986	1985	1984	1983	1982	LINE NO.
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	38.7	38.9	37.6	36.8	41.4	49
DEPRECIATION AND AMORTIZATION	4.1	4.2	3.8	3.7	3.9	50
INCOME TAXES	10.8	9.1	10.4	10.8	7.6	51
OTHER TAXES	25.5	26.7	24.4	24.2	24.1	52
TOTAL OPERATING EXPENSES	79.3	79.0	76.4	75.6	77.1	53
OPERATING INCOME	20.6	20.9	23.5	24.3	22.8	54
INTEREST EXPENSE:						
PRETAX COVERAGE	3.8	3.4	3.8	3.8	2.7	55
NET INCOME - % OF OPERATING REVENUES	14.2	12.4	14.9	15.1	11.4	56
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE FOR COMMON	17.4	-	-	-	-	57
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON EQUITY	5.7	6.1	8.2	9.1	6.5	58

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEW ROCHELLE WATER COMPANY, THE

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 1,714,254	$ 1,403,309	$ 1,746,543	$ 1,734,633	$ 1,118,043
	NON CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	676,268	693,071	617,211	674,106	574,723
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	153,153	274,732	292,197	145,471	305,050
4	INTEREST CAPITALIZED	-	-	-	51-	1,090-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	2,543,675	2,371,112	2,655,951	2,554,159	1,996,726
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	2,543,675	2,371,112	2,655,951	2,554,159	1,996,726
10	LESS DIVIDENDS: PREFERRED	77,110	-	-	-	-
11	" COMMON	286,000	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	2,180,565	2,371,112	2,655,951	2,554,159	1,996,726
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	173,840	480,944	81,404	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	173,840	480,944	81,404	-
20	OTHER SOURCES (NET)	673,533	5,985-	-	-	6,637
21						
22						
23	TOTAL FUNDS PROVIDED	$ 2,854,098	$ 2,538,967	$ 3,136,895	$ 2,635,563	$ 2,003,363
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 1,467,694	$ 1,704,879	$ 1,465,158	$ 1,202,509	$ 1,111,982
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	1,467,694	1,704,879	1,465,158	1,202,509	1,111,982
28	LESS INTEREST CAPITALIZED	-	-	-	51	1,090
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	1,467,694	1,704,879	1,465,158	1,202,458	1,110,892
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	-	-	-	-
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	375	249,804
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	-	-	375	249,804
37	OTHER USES (NET)	1,386,404	834,088	1,671,737	1,432,730	642,667
38						
39						
40	TOTAL FUNDS APPLIED	$ 2,854,098	$ 2,538,967	$ 3,136,895	$ 2,635,563	$ 2,003,363

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NEW ROCHELLE WATER COMPANY, THE

ITEM	1986	1985	1984	1983	1982	LINE NO.
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 10,741,169	$ 10,037,983	$ 10,509,491	$ 10,387,393	$ 8,752,697	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	163,799	116,094	106,932	81,993	78,796	3
OTHER SALES OF WATER	1,157,245	1,102,047	1,041,078	938,759	901,571	4
TOTAL REVENUES FROM SALES OF WATER	12,062,213	11,256,124	11,657,501	11,408,145	9,733,064	5
OTHER WATER OPERATING REVENUES	7,440	11,437	9,565	7,937	9,981	6
TOTAL WATER OPERATING REVENUES	$ 12,069,653	$ 11,267,561	$ 11,667,066	$ 11,416,082	$ 9,743,045	7
WATER SALES(T.GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	5,425,505	5,267,319	5,923,095	5,994,587	5,619,057	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	148,902	106,869	104,490	81,429	92,071	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	5,574,407	5,374,188	6,027,585	6,076,016	5,711,128	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	28,942	28,690	28,422	28,595	28,485	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	2	2	1	1	1	15
OTHER SALES OF WATER	402	391	314	314	314	16
TOTAL CUSTOMERS	29,346	29,083	28,737	28,910	28,800	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 371.12	$ 349.87	$ 369.76	$ 363.25	$ 307.27	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	187.46	183.59	208.39	209.63	197.26	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	197.98	190.57	177.43	173.28	155.77	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T.GALLONS SOLD(CENTS)	-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 928,421	$ 779,657	$ 897,564	$ 894,291	$ 846,841	24
POWER AND PUMPING EXPENSES	847,408	860,433	936,932	915,356	813,394	25
PURIFICATION EXPENSES	124,855	122,165	126,192	129,186	126,755	26
TRANSMISSION AND DISTRIBUTION EXPENSES	939,188	900,710	832,026	762,716	712,035	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	504,633	499,078	489,654	476,844	485,895	28
ADMINISTRATIVE+GENERAL EXPENSES	1,333,771	1,222,989	1,111,196	1,029,477	1,050,693	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 4,678,276	$ 4,385,032	$ 4,393,564	$ 4,207,870	$ 4,035,613	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 30,277,678	$ 29,002,146	$ 27,259,545	$ 26,140,351	$ 25,100,639	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	103,688	17,443	253,597	2,448	7,849-	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	90,846-	90,846-	90,846-	90,846-	85,396-	37
TOTAL WATER UTILITY PLANT	30,290,520	28,928,743	27,422,296	26,051,953	25,007,394	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION	7,012,182	6,617,188	6,344,504	5,992,404	5,695,451	39
NET WATER UTILITY PLANT	$ 23,278,338	$ 22,311,555	$ 21,077,792	$ 20,059,549	$ 19,311,943	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 29,002,149	$ 27,259,545	$ 26,140,351	$ 25,100,639	$ 24,143,147	41
ADDITIONS	1,387,427	2,177,146	1,249,993	1,264,195	1,423,216	42
RETIREMENTS	105,917	198,432	94,815	160,838	173,191	43
TRANSFERS AND ADJUSTMENTS	5,970-	236,113-	35,984-	63,645-	292,533-	44
PLANT IN SERVICE END OF YEAR	$ 30,277,689	$ 29,002,146	$ 27,259,545	$ 26,140,351	$ 25,100,639	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

NEW ROCHELLE WATER COMPANY, THE

LINE NO.	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 12,069,653	$ 11,267,561	$ 11,667,066	$ 11,416,082	$ 9,743,045
2	SALES (THOUSAND GALLONS)	5,574,407	5,374,188	6,027,585	6,075,016	5,711,128
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 1,521,379	$ 1,411,695	$ 1,577,997	$ 1,611,942	$ 1,496,228
4	WAGES AND BENEFITS	1,841,164	1,741,927	1,716,672	1,580,696	250,145
5	OTHER OPERATION AND MAINTENANCE EXPENSES	1,315,733	1,231,410	1,098,895	1,015,032	2,290,240
6	DEPRECIATION AND AMORTIZATION EXPENSES	502,133	477,101	448,253	428,677	383,703
7	INCOME TAXES - OPERATING	1,310,064	1,026,427	1,217,022	1,233,672	744,287
8	OTHER TAXES - OPERATING	3,086,961	3,018,001	2,855,268	2,762,862	2,348,906
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	1,074,390	984,516	1,040,302	1,063,929	1,110,749
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	1,418,829	1,376,483	1,712,669	1,719,072	1,119,806
12	TOTAL	$ 12,069,653	$ 11,267,561	$ 11,667,066	$ 11,416,082	$ 9,743,045
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	12.6	12.5	13.5	14.1	15.3
14	WAGES AND BENEFITS	15.3	15.5	14.7	13.8	2.6
15	OTHER OPERATION AND MAINTENANCE EXPENSES	10.9	10.9	9.4	8.9	23.5
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.2	4.2	3.8	3.8	3.9
17	INCOME TAXES - OPERATING	10.9	9.1	10.4	10.8	7.6
18	OTHER TAXES - OPERATING	25.6	26.8	24.5	24.2	24.1
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.9	8.7	8.9	9.3	11.4
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	11.8	12.2	14.7	15.1	11.5
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	27.29	26.27	26.18	26.53	26.16
24	WAGES AND BENEFITS	33.03	32.41	28.48	26.02	4.38
25	OTHER OPERATION AND MAINTENANCE EXPENSES	23.60	22.91	18.23	16.71	40.10
26	DEPRECIATION AND AMORTIZATION EXPENSES	9.01	8.88	7.44	7.06	6.72
27	INCOME TAXES - OPERATING	23.50	19.10	20.19	20.30	13.03
28	OTHER TAXES - OPERATING	55.38	56.16	47.37	45.47	41.13
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	19.27	18.32	17.26	17.51	19.45
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	25.45	25.61	28.41	28.29	19.61
32	TOTAL	216.52	209.66	193.56	187.89	170.60

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

NEW YORK - AMERICAN WATER COMPANY, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 10,671,687	$ 10,032,169	$ 9,692,156	$ 9,237,469	$ 9,020,708
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	3,076,883	2,936,541	2,812,423	2,707,619	2,591,558
3	NET WATER PLANT	7,594,804	7,095,628	6,879,733	6,529,850	6,429,150
4	OTHER PHYSICAL PROPERTY	239,001	239,001	239,001	239,001	239,001
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	239,001	239,001	239,001	239,001	239,001
8	CASH AND WORKING FUNDS	58,274	136,591	212,173-	245,841-	200
9	SPECIAL DEPOSITS	300	-	-	-	-
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	432,738	426,098	383,644	458,910	425,383
12	RECEIVABLES FROM ASSOCIATED COMPANIES	6,732	6,732	6,411	5,929	7,451
13	MATERIALS AND SUPPLIES	26,772	17,891	12,396	28,496	19,567
14	PREPAYMENTS	189,488	158,218	157,147	129,263	120,697
15	OTHER CURRENT AND ACCRUED ASSETS	686,418	689,775	641,607	586,994	450,085
16	TOTAL CURRENT AND ACCRUED ASSETS	1,400,722	1,434,706	989,032	963,751	1,023,383
17	UNAMORTIZED DEBT EXPENSE	57,696	71,369	22,630	26,116	29,926
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	1,704	-	-	-	-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	68,306	179,371	370,710	307,882	635,776
23	TOTAL DEFERRED DEBITS	127,706	250,740	393,340	333,998	665,702
24	TOTAL ASSETS AND OTHER DEBITS	$ 9,362,233	$ 9,020,074	$ 8,501,106	$ 8,066,600	$ 8,357,236
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 1,685,000	$ 1,685,000	$ 1,685,000	$ 1,685,000	$ 1,685,000
26	PREFERRED CAPITAL STOCK	1,000,000	1,000,000	1,000,000	1,000,000	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	8,992-	9,774-	10,556-	11,141-	-
33	RETAINED EARNINGS	704,294	801,230	768,482	820,763	419,621
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	3,380,302	3,476,456	3,442,926	3,494,622	2,104,621
36	BONDS (LESS BONDS REACQUIRED)	3,634,000	3,772,000	1,335,000	1,398,000	1,461,000
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	-	-	-	-	-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	3,634,000	3,772,000	1,335,000	1,398,000	1,461,000
41	NOTES AND ACCOUNTS PAYABLE	2,506	132,381	2,159,312	1,638,343	2,786,289
42	PAYABLES TO ASSOCIATED COMPANIES	302,996	123,361	93,519	108,206	84,854
43	CUSTOMERS' DEPOSITS	-	-	-	-	-
44	TAXES ACCRUED	207,589	42,337	114,232	79,615	122,928
45	OTHER CURRENT AND ACCRUED LIABILITIES	299,072	193,476	134,549	120,298	421,032
46	TOTAL CURRENT AND ACCRUED LIABILITIES	812,163	491,555	2,501,612	1,946,462	3,415,103
47	CUSTOMER ADVANCES FOR CONSTRUCTION	1,100,993	861,716	799,779	866,232	946,177
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	126,057	128,232	99,540	64,255	-
49	OTHER DEFERRED CREDITS	7,911	7,361	7,411	24,250	35,689
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	251,822	196,633	155,522	-	-
52	OTHER	48,985	86,121	159,316	-	-
53	TOTAL DEFERRED CREDITS	1,535,768	1,280,063	1,221,568	954,737	981,866
54	OPERATING RESERVES	-	-	-	272,779	394,646
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 9,362,233	$ 9,020,074	$ 8,501,106	$ 8,066,600	$ 8,357,236
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	CURRENT ASSETS / CURRENT LIABILITIES	1.72	2.92	0.40	0.50	0.30
	PERCENT OF CAPITALIZATION					
57	LONG TERM DEBT	51.8	52.0	27.9	28.5	40.9
58	PREFERRED STOCK	14.2	13.7	20.9	20.4	-
59	COMMON STOCK + OTHER PAID-IN CAPITAL	23.8	23.1	35.0	34.2	47.2
60	RETAINED EARNINGS	10.0	11.0	16.0	16.7	11.7
	LONG-TERM DEBT					
61	PERCENT OF GROSS WATER PLANT	34.0	37.5	13.7	15.1	16.1
62	ACCUMULATED PROVISION FOR DEPRE.+AMORT. PERCENT OF WATER PLANT	28.8	29.2	29.0	29.3	28.7

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

NEW YORK - AMERICAN WATER COMPANY, INC

ITEM		1986	1985	1984	1983	1982	LINE NO
		COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT					
WATER OPERATING INCOME							
OPERATING REVENUES	$	6,083,100 $	5,836,139 $	5,312,464 $	5,016,094 $	4,034,813	1
OPERATION AND MAINTENANCE EXPENSES		3,172,930	3,013,225	2,779,519	2,634,508	2,401,958	2
DEPRECIATION		172,819	153,555	144,827	137,054	132,020	3
AMORTIZATION		-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES		1,388,284	1,383,262	1,250,607	1,201,823	1,014,310	5
INCOME TAXES		349,368	295,686	268,673	13,121	205,994	6
GAINS FROM DISP. OF UTILITY PLANT							7
LOSSES FROM DISP. OF UTILITY PLANT							8
TOTAL OPERATING EXPENSES		5,083,401	4,895,928	4,443,626	3,986,504	3,754,282	9
NET OPERATING REVENUES		999,699	940,211	868,838	1,029,590	280,531	10
INCOME FROM PLANT LEASED TO OTHERS		-	-	-	-	-	11
TOTAL WATER OPERATING INCOME		999,699	940,211	868,838	1,029,590	280,531	12
OTHER INCOME							
INCOME FROM MDSE, JOBBING+CONTRACT WORK		411-	322	400	1,628	789	13
INCOME FROM NONUTILITY OPERATIONS		-	-	-	-	-	14
NONOPERATING RENTAL INCOME		55,823	54,544	51,973	49,834	66,500	15
INTEREST AND DIVIDEND INCOME		15,986	19,231	-	500	-	16
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	1,418	-	-	17
MISCELLANEOUS NONOPERATING INCOME		-	747	37-	108	-	18
GAIN ON DISPOSITION OF PROPERTY		20	-	-	-	-	19
TOTAL OTHER INCOME		71,418	74,844	53,754	52,070	67,289	20
TOTAL INCOME		1,071,117	1,015,055	922,592	1,081,660	347,820	21
OTHER INCOME DEDUCTIONS							
LOSS ON DISPOSITION OF PROPERTY		-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION		6,147	6,147	6,153	5,749	5,365	23
MISCELLANEOUS DEDUCTIONS		200	575	500	300	-	24
TAXES OTHER THAN INC TAXES-NONOPERATING		-	-	-	19,192	19,979	25
INCOME TAXES-NONOPERATING		32,769	33,994	24,252	4,425	20,494	26
TOTAL OTHER INCOME DEDUCTIONS		39,116	40,716	30,905	29,666	45,838	27
INCOME BEFORE INTEREST CHARGES		1,032,001	974,339	891,687	1,051,994	301,982	28
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		482,015	463,256	124,208	129,765	146,190	29
AMORT OF DEBT DISCOUNT EXPENSE		13,672	13,993	3,486	3,810	4,216	30
AMORT OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES		-	-	-	-	-	32
OTHER INTEREST CHARGES		74	14,642	226,552	305,456	390,610	33
TOTAL INTEREST CHARGES		495,761	491,891	354,246	439,031	541,016	34
EXTRAORDINARY ITEMS							
EXTRAORDINARY INCOME		-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS		217,682-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS		-	-	-	-	-	37
NET EXTRAORDINARY ITEMS		217,682-	-	-	-	-	38
NET INCOME	$	318,558 $	482,448 $	537,441 $	612,963 $	239,034-	39
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR		801,230 $	768,482 $	820,763 $	419,621 $	601,284	40
BALANCE TRANSFERRED FROM INCOME		318,558	482,448	537,442	612,963	239,034-	41
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK		125,000	125,000	125,000	21,875	-	43
-COMMON STOCK		290,494	324,700	464,723	20,894	-	44
ADJUSTMENTS TO RETAINED EARNINGS		-	-	-	169,052-	57,373	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR		704,294	801,230	768,482	820,763	419,623	46
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$	704,294 $	801,230 $	768,482 $	820,763 $	419,623	48
		SELECTED INCOME ACCOUNT RELATIONSHIPS					
PERCENT OF WATER OPERATING REVENUES							
OPERATION AND MAINTENANCE EXPENSES		52.4	51.6	52.3	52.5	59.5	49
DEPRECIATION AND AMORTIZATION		2.8	2.7	2.7	2.7	3.2	50
INCOME TAXES		5.7	4.7	5.0	0.2	5.1	51
OTHER TAXES		22.4	24.1	23.5	23.9	25.1	52
TOTAL OPERATING EXPENSES		83.4	83.8	83.6	79.4	93.0	53
OPERATING INCOME		16.5	16.1	16.3	20.5	6.9	54
INTEREST EXPENSE							
PRETAX COVERAGE		2.9	2.6	3.3	2.4	1.0	55
NET INCOME - % OF OPERATING REVENUES		5.2	8.3	10.1	12.2	5.9-	56
DIVIDEND APPROPRIATIONS, COMMON STOCK							
PERCENT OF EARNINGS AVAILABLE FOR COMMON		150.0	90.8	112.6	3.5	-	57
PERCENT OF AVERAGE COMMON EQUITY							
EARNINGS AVAILABLE FOR COMMON EQUITY		7.9	14.5	16.7	25.7	10.1-	58

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEW YORK - AMERICAN WATER COMPANY, INC

LINE NO	ITEM		1986		1985		1984		1983		1982
	FUNDS PROVIDED										
	INTERNAL SOURCES										
1	INCOME BEFORE EXTRAORDINARY ITEMS	$	536,240	$	482,448	$	537,442	$	612,963	$	239,034-
	NON CASH CHARGES (CREDITS) TO INCOME										
2	DEPRECIATION, DEPLETION AND AMORTIZATION		348,606		398,205		334,980		349,517		354,265
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)		15,878		3,392-		77,344		50,872		205,953
4	INTEREST CAPITALIZED		-		-		1,416-		-		-
5	OTHER (NET)		-		2		60		7,186		-
6											
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS		900,724		877,263		948,410		1,020,538		321,184
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES		217,682-		-		-		169,052-		-
9	TOTAL FUNDS FROM INTERNAL SOURCES		683,042		877,263		948,410		851,486		321,184
10	LESS DIVIDENDS PREFERRED		125,000		125,000		125,000		42,769		-
11	COMMON		290,494		324,700		464,723		-		-
12	NET FUNDS FROM INTERNAL SOURCES		267,548		427,563		358,687		808,717		321,184
	EXTERNAL SOURCES										
13	LONG TERM DEBT		-		2,500,000		-		-		-
14	PREFERRED STOCK		-		-		-		1,000,000		-
15	COMMON STOCK		-		-		-		-		-
16	NET INCREASE IN SHORT TERM DEBT		-		-		-		-		885,000
17	OTHER (NET)		323,277		60,264		490,000		-		417,168
18											
19	TOTAL FUNDS FROM EXTERNAL SOURCES		323,277		2,560,264		490,000		1,000,000		1,302,168
20	OTHER SOURCES (NET)		270,592		-		39,871		4,963		-
21											
22											
23	TOTAL FUNDS PROVIDED	$	861,417	$	2,987,827	$	888,558	$	1,813,680	$	1,623,352
	FUNDS APPLIED										
	CONSTRUCTION EXPENDITURES										
	GROSS ADDITIONS										
24	WATER PLANT	$	671,248	$	373,141	$	493,178	$	248,142	$	596,697
25	NON-UTILITY PLANT		-		-		-		-		-
26	OTHER		-		-		-		-		-
27	TOTAL GROSS ADDITIONS		671,248		373,141		493,178		248,142		596,697
28	LESS INTEREST CAPITALIZED		-		-		1,416		-		-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED		671,248		373,141		491,762		248,142		596,697
	RETIREMENT OF DEBT AND SECURITIES										
30	LONG TERM DEBT		138,000		63,000		63,000		63,000		63,000
31	PREFERRED STOCK		-		-		-		-		-
32	REDEMPTION OF CAPITAL STOCK		-		-		-		-		-
33	NET DECREASE IN SHORT TERM DEBT		-		2,048,000		-		1,077,000		-
34	OTHER (NET)		-		75,000		66,453		79,945		-
35											
36	TOTAL RETIREMENT OF DEBT AND SECURITIES		138,000		2,186,000		129,453		1,219,945		63,000
37	OTHER USES (NET)		52,169		428,686		267,343		345,593		963,655
38											
39											
40	TOTAL FUNDS APPLIED	$	861,417	$	2,987,827	$	888,558	$	1,813,680	$	1,623,352

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

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COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NEW YORK - AMERICAN WATER COMPANY, INC.

ITEM	1986	1985	1984	1983	1982	LINE NO
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 5,287,801	$ 4,880,699	$ 4,666,142	$ 4,383,129	$ 3,507,140	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	4,888	3
OTHER SALES OF WATER	763,866	753,012	641,949	626,980	522,229	4
TOTAL REVENUES FROM SALES OF WATER	6,051,667	5,633,711	5,308,091	5,009,109	4,034,257	5
OTHER WATER OPERATING REVENUES	1,433	2,428	4,373	8,985	556	6
TOTAL WATER OPERATING REVENUES	$ 6,053,100	$ 5,636,139	$ 5,312,464	$ 5,018,094	$ 4,034,813	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	1,654,576	1,504,829	1,542,077	1,561,771	1,385,167	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	103,475	104,604	91,753	101,202	96,676	11
TOTAL SALES OF WATER	1,758,051	1,609,433	1,633,830	1,662,973	1,481,843	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	10,597	10,567	10,444	10,274	10,274	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	275	274	275	245	245	16
TOTAL CUSTOMERS	10,872	10,841	10,719	10,519	10,519	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 498.99	$ 461.88	$ 446.77	$ 426.62	$ 341.36	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	156.13	142.40	147.66	151.03	134.82	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	319.59	324.34	302.59	282.46	253.19	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T GALLONS SOLD(CENTS)	-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 1,524,883	$ 1,357,428	$ 1,283,804	$ 1,228,348	$ 1,043,763	24
POWER AND PUMPING EXPENSES	36,113	18,909	13,111	22,281	15,508	25
PURIFICATION EXPENSES	7,100	11,751	4,006	2,602	3,052	26
TRANSMISSION AND DISTRIBUTION EXPENSES	578,320	527,777	537,798	509,977	524,308	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	235,241	219,046	204,491	223,747	198,115	28
ADMINISTRATIVE+GENERAL EXPENSES	791,273	778,314	736,310	647,551	617,212	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 3,172,930	$ 2,913,225	$ 2,779,519	$ 2,634,506	$ 2,401,958	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 10,541,582	$ 9,919,530	$ 9,560,544	$ 9,110,143	$ 8,870,753	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	103,281	80,450	94,060	84,409	101,673	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	26,824	32,189	37,552	42,918	48,282	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	10,671,687	10,032,169	9,692,156	9,237,470	9,020,708	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION	3,076,883	2,936,541	2,812,423	2,707,619	2,591,558	39
NET WATER UTILITY PLANT	$ 7,594,804	$ 7,095,628	$ 6,879,733	$ 6,529,851	$ 6,429,150	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 9,919,530	$ 9,560,544	$ 9,110,143	$ 8,870,753	$ 8,366,710	41
ADDITIONS	646,712	386,751	483,526	265,405	537,334	42
RETIREMENTS	24,660	27,765	33,125	26,015	33,291	43
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 10,541,582	$ 9,919,530	$ 9,560,544	$ 9,110,143	$ 8,870,753	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

NEW YORK - AMERICAN WATER COMPANY, INC

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 6,053,100	$ 5,636,139	$ 5,312,464	$ 5,016,094	$ 4,034,813
2	SALES (THOUSAND GALLONS)	1,758,051	1,609,433	1,633,830	1,652,973	1,481,843
	DOLLAR AMOUNTS					
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 1,547,962	$ 1,373,880	$ 1,295,329	$ 1,248,453	$ 1,056,519
4	WAGES AND BENEFITS	824,230	850,412	767,907	754,507	580,966
5	OTHER OPERATION AND MAINTENANCE EXPENSES	800,748	688,933	716,283	631,546	764,473
6	DEPRECIATION AND AMORTIZATION EXPENSES	172,819	153,566	144,827	137,054	132,020
7	INCOME TAXES - OPERATING	349,368	265,885	268,783	13,121	205,994
8	OTHER TAXES - OPERATING	1,358,284	1,363,262	1,250,697	1,201,823	1,014,310
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	496,761	491,891	354,044	439,031	541,016
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	125,000-	125,000	124,796	21,875	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	628,938	323,320	389,998	568,684	260,485-
12	TOTAL	$ 6,053,100	$ 5,636,139	$ 5,312,464	$ 5,016,094	$ 4,034,813
	PERCENT OF REVENUES					
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	25.6	24.4	24.4	24.9	26.2
14	WAGES AND BENEFITS	13.6	15.1	14.5	15.0	14.4
15	OTHER OPERATION AND MAINTENANCE EXPENSES	13.2	12.2	13.5	12.6	18.9
16	DEPRECIATION AND AMORTIZATION EXPENSES	2.9	2.7	2.7	2.7	3.3
17	INCOME TAXES - OPERATING	5.8	4.7	5.1	0.3	5.1
18	OTHER TAXES - OPERATING	22.4	24.2	23.5	24.0	25.1
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	8.2	8.7	6.7	8.8	13.4
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	2.0-	2.2	2.3	0.4	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	10.4	5.7	7.3	11.3	6.4-
22	TOTAL	100.0	100.0	100.0	100.0	100.0
	CENTS PER THOUSAND GALLONS SOLD					
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	88.05	85.36	79.28	75.53	71.30
24	WAGES AND BENEFITS	46.88	52.84	47.00	45.65	39.21
25	OTHER OPERATION AND MAINTENANCE EXPENSES	45.55	42.81	43.84	38.21	51.59
26	DEPRECIATION AND AMORTIZATION EXPENSES	9.83	9.54	8.86	8.29	8.91
27	INCOME TAXES - OPERATING	19.87	16.52	16.45	0.79	13.90
28	OTHER TAXES - OPERATING	77.26	84.70	76.55	72.71	68.45
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	28.26	30.56	21.67	26.56	36.51
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	7.10-	7.77	7.64	1.32	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	35.77	20.09	23.87	34.40	17.57-
32	TOTAL	344.31	350.19	325.15	303.46	272.28

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

NEW YORK WATER SERVICE CORP

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 28,635,592	$ 25,774,484	$ 24,817,632	$ 22,673,448	$ 21,840,920
2	ACCUMULATED PROVISION FOR DEPRE+AMORT.	6,987,405	6,608,207	6,319,968	6,047,524	5,764,439
3	NET WATER PLANT	21,648,187	19,166,277	18,497,664	16,625,924	16,076,481
4	OTHER PHYSICAL PROPERTY	2,998	3,035	3,075	3,115	3,155
5	INVESTMENTS IN ASSOCIATED COMPANIES	20,586,565	21,003,597	19,753,202	18,728,237	18,989,118
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	20,589,563	21,006,632	19,756,277	18,731,352	18,992,273
8	CASH AND WORKING FUNDS	304,513	207,168	433,800	328,775	315,526
9	SPECIAL DEPOSITS	16,340	250	250	47,179	92,983
10	TEMPORARY CASH INVESTMENTS	3,475,000	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	1,152,005	1,322,773	1,263,846	1,352,286	1,078,358
12	RECEIVABLES FROM ASSOCIATED COMPANIES	3,254,764	2,569,425	2,504,040	1,502,340	1,284,939
13	MATERIALS AND SUPPLIES	275,662	228,270	211,499	209,887	154,541
14	PREPAYMENTS	415,251	208,531	64,397	20,888	82,302
15	OTHER CURRENT AND ACCRUED ASSETS	523,742	177,435	33,260	1,867	157,582
16	TOTAL CURRENT AND ACCRUED ASSETS	9,417,277	4,713,852	4,511,092	3,464,199	3,166,231
17	UNAMORTIZED DEBT EXPENSE	29,889	-	-	49,290	105,476
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	-	-	-	182-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	113,241	197,789	80,406	225,625	94,058
23	TOTAL DEFERRED DEBITS	143,130	197,789	80,406	274,733	199,534
24	TOTAL ASSETS AND OTHER DEBITS	$ 51,798,157	$ 45,084,550	$ 42,845,439	$ 39,096,208	$ 38,434,519
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 3,674,470	$ 3,674,470	$ 3,674,470	$ 3,674,470	$ 3,674,470
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	2,012,224	2,012,224	2,012,224	2,012,224	2,012,224
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	27,367-	27,367-	27,367-	27,367-	27,367-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	28,938,732	26,549,543	24,697,663	21,857,134	19,574,202
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	34,598,059	32,208,870	30,356,990	27,516,461	25,233,529
36	BONDS (LESS BONDS REACQUIRED)	5,050,000	-	5,050,000	5,100,000	5,300,000
37	ADVANCES FROM ASSOCIATED COMPANIES	-	5,050,000	-	-	-
38	OTHER LONG TERM DEBT	-	-	-	-	-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	5,050,000	5,050,000	5,050,000	5,100,000	5,300,000
41	NOTES AND ACCOUNTS PAYABLE	645,880	170,099	100,331	184,186	424,071
42	PAYABLES TO ASSOCIATED COMPANIES	7,665,781	4,059,199	4,009,199	2,969,190	4,427,192
43	CUSTOMERS' DEPOSITS	333,078	346,748	347,768	338,919	339,352
44	TAXES ACCRUED	2,083,102	1,685,826	1,117,174	1,117,681	1,164,603
45	OTHER CURRENT AND ACCRUED LIABILITIES	500,997	650,751	1,288,258	1,258,713	995,084
46	TOTAL CURRENT AND ACCRUED LIABILITIES	11,228,838	6,912,623	6,862,730	5,868,688	7,350,242
47	CUSTOMER ADVANCES FOR CONSTRUCTION	399,653	368,961	274,803	249,644	323,811
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	-	-	-	-	-
49	OTHER DEFERRED CREDITS	311,779	381,159	175,394	166,575	142,990
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	-	-	-	-	-
52	OTHER	85,495	30,215	-	97,416	-
53	TOTAL DEFERRED CREDITS	796,927	780,335	450,197	513,635	466,801
54	OPERATING RESERVES	124,333	132,722	125,522	97,424	83,947
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 51,798,157	$ 45,084,550	$ 42,845,439	$ 39,096,208	$ 38,434,519
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	CURRENT ASSETS / CURRENT LIABILITIES	0.84	0.68	0.66	0.59	0.43
	PERCENT OF CAPITALIZATION:					
57	LONG TERM DEBT	12.7	13.5	14.2	15.6	17.3
58	PREFERRED STOCK	-	-	-	-	-
59	COMMON STOCK + OTHER PAID-IN CAPITAL	14.2	15.1	15.9	17.3	18.5
60	RETAINED EARNINGS	72.9	71.2	69.7	67.0	64.1
	LONG-TERM DEBT					
61	PERCENT OF GROSS WATER PLANT	17.6	19.5	20.3	22.4	24.2
62	ACCUMULATED PROVISION FOR DEPRE.+AMORT. PERCENT OF WATER PLANT	24.4	25.6	25.4	26.6	26.3

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

NEW YORK WATER SERVICE CORP.

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM	1986	1985	1984	1983	1982	LINE NO.
WATER OPERATING INCOME						
OPERATING REVENUES	$ 13,410,922 $	11,036,203 $	10,655,989 $	10,114,104 $	9,515,623	1
OPERATION AND MAINTENANCE EXPENSES	5,861,782	5,119,747	4,651,193	4,596,168	4,287,868	2
DEPRECIATION	545,794	495,907	441,455	391,353	366,021	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	3,764,761	3,119,986	3,152,149	2,858,303	2,551,033	5
INCOME TAXES	-	-	-	-	-	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	10,172,337	8,735,639	8,244,797	7,845,824	7,204,922	9
NET OPERATING REVENUES	3,238,585	2,299,564	2,411,192	2,268,280	2,310,701	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	3,238,585	2,299,564	2,411,192	2,268,280	2,310,701	12
OTHER INCOME						
INCOME FROM HOSE, JOBBING-CONTRACT WORK	38,113	18,780-	30,064-	15,720-	4,569-	13
INCOME FROM NONUTILITY OPERATIONS	484,223-	810,804-	678,783-	670,853-	1,494,154-	14
NONOPERATING RENTAL INCOME	-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME	45,736	211,506-	431,987	-	660	16
ALLOWANCE FOR CONSTRUCTION FUNDS	81,861	84,458	-	-	-	17
MISCELLANEOUS NONOPERATING INCOME	362,434	1,459,109	1,449,964	1,458,807	1,555,970	18
GAIN ON DISPOSITION OF PROPERTY	2,835	190	253	1,616	125	19
TOTAL OTHER INCOME	46,756	502,667	1,173,357	773,850	58,032	20
TOTAL INCOME	3,285,341	2,802,231	3,584,549	3,042,130	2,368,733	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION	4,392	4,392	4,392	4,392	4,392	23
MISCELLANEOUS DEDUCTIONS	-	-	-	-	26,275	24
TAXES OTHER THAN INC TAXES-NONOPERATING	-	-	-	-	-	25
INCOME TAXES-NONOPERATING	321,288	160,644	-	-	-	26
TOTAL OTHER INCOME DEDUCTIONS	325,680	165,036	4,392	4,392	30,667	27
INCOME BEFORE INTEREST CHARGES	2,959,661	2,637,195	3,580,157	3,037,738	2,338,066	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	-	-	226,880	640,981	667,557	29
AMORT OF DEBT DISCOUNT EXPENSE	-	21,557	49,290	68,942	57,600	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	547,244	727,512	420,561	-	-	32
OTHER INTEREST CHARGES	30,728	36,246	42,887	44,893	79,066	33
TOTAL INTEREST CHARGES	577,972	785,315	739,618	754,816	804,223	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS	-	-	-	-	-	37
NET EXTRAORDINARY ITEMS	-	-	-	-	-	38
NET INCOME	$ 2,381,689 $	1,851,880 $	2,840,539 $	2,282,922 $	1,533,843	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR $	26,549,543 $	24,697,663 $	21,857,124 $	19,574,202 $	18,040,359	40
BALANCE TRANSFERRED FROM INCOME	2,389,189	1,851,880	2,840,539	2,282,922	1,533,843	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	43
-COMMON STOCK	-	-	-	-	-	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	28,938,732	26,549,543	24,697,663	21,857,124	19,574,202	46
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 28,938,732 $	26,549,543 $	24,697,663 $	21,857,124 $	19,574,202	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1986	1985	1984	1983	1982	LINE NO.
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	43.7	46.3	43.6	45.4	45.0	49
DEPRECIATION AND AMORTIZATION	4.0	4.5	4.1	3.8	3.8	50
INCOME TAXES	-	-	-	-	-	51
OTHER TAXES	28.0	28.2	29.5	28.2	26.8	52
TOTAL OPERATING EXPENSES	75.8	79.1	77.3	77.5	75.7	53
OPERATING INCOME	24.1	20.8	22.6	22.4	24.2	54
INTEREST EXPENSE: PRETAX COVERAGE	5.7	3.6	4.8	4.0	2.9	55
NET INCOME - % OF OPERATING REVENUES	17.7	16.7	26.6	22.5	16.1	56
DIVIDEND APPROPRIATIONS COMMON STOCK: PERCENT OF EARNINGS AVAILABLE FOR COMMON	-	-	-	-	-	57
PERCENT OF AVERAGE COMMON EQUITY: EARNINGS AVAILABLE FOR COMMON EQUITY	7.1	5.9	9.8	8.6	6.2	58

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

NEW YORK WATER SERVICE CORP.

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 2,381,689	$ 1,851,880	$ 2,800,539	$ 2,282,922	$ 1,548,476
	NON CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	557,941	505,207	490,814	401,048	375,717
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	-	-	-	-	-
4	INTEREST CAPITALIZED	-	84,458-	-	-	-
5	OTHER (NET):	46,695	232,710	37,014	157,721	47,099
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	2,986,325	2,505,339	3,328,367	2,841,691	1,971,292
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	2,986,325	2,505,339	3,328,367	2,841,691	1,971,292
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	2,986,325	2,505,339	3,328,367	2,841,691	1,971,292
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	-	-	-	-
20	OTHER SOURCES (NET)	673,803	330,138	228,487	457,861	500,488
21						
22						
23	TOTAL FUNDS PROVIDED	$ 3,660,128	$ 2,835,477	$ 3,556,854	$ 3,299,552	$ 2,471,780
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 3,095,654	$ 1,399,290	$ 2,331,430	$ 1,094,695	$ 1,708,026
25	NON-UTILITY PLANT	-	-	-	-	374
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	3,095,654	1,399,290	2,331,430	1,094,695	1,708,400
28	LESS INTEREST CAPITALIZED	-	84,458	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	3,095,654	1,314,832	2,331,430	1,094,695	1,708,400
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	-	50,000	200,000	200,000
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	-	50,000	200,000	200,000
37	OTHER USES (NET)	564,474	1,520,645	1,175,424	2,004,857	563,380
38						
39						
40	TOTAL FUNDS APPLIED	$ 3,660,128	$ 2,835,477	$ 3,556,854	$ 3,299,552	$ 2,471,780

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

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COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

NEW YORK WATER SERVICE CORP

ITEM		1986		1985		1984		1983		1982	LINE NO
WATER OPERATING REVENUES											
REVENUES											
METERED SALES TO GENERAL CUSTOMERS	$	12,216,593	$	10,131,010	$	9,827,736	$	9,277,983	$	8,718,715	1
UNMETERED SALES TO GENERAL CUSTOMERS		-		-		-		-		-	2
SALES TO OTHER WATER COMPANIES		-		-		-		-		-	3
OTHER SALES OF WATER		1,192,259		901,698		822,439		832,670		790,924	4
TOTAL REVENUES FROM SALES OF WATER		13,408,852		11,032,708		10,650,175		10,110,653		9,509,639	5
OTHER WATER OPERATING REVENUES		2,070		3,495		5,814		3,451		5,984	6
TOTAL WATER OPERATING REVENUES	$	13,410,922	$	11,036,203	$	10,655,989	$	10,114,104	$	9,515,623	7
WATER SALES (T GALLONS)											
METERED SALES TO GENERAL CUSTOMERS		5,157,617		4,680,877		4,615,972		4,798,698		4,589,028	8
UNMETERED SALES TO GENERAL CUSTOMERS		-		-		-		-		-	9
SALES TO OTHER WATER COMPANIES		-		-		-		-		-	10
OTHER SALES OF WATER		-		-		-		-		-	11
TOTAL SALES OF WATER		5,157,617		4,680,877		4,615,972		4,798,698		4,589,028	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)											
METERED SALES TO GENERAL CUSTOMERS		43,466		43,432		43,225		43,063		43,041	13
UNMETERED SALES TO GENERAL CUSTOMERS		-		-		-		-		-	14
SALES TO OTHER WATER COMPANIES		-		-		-		-		-	15
OTHER SALES OF WATER		135		136		8		135		126	16
TOTAL CUSTOMERS		43,601		43,568		43,233		43,198		43,167	17
WATER OPERATING REVENUE RELATIONSHIPS											
METERED GENERAL CUSTOMERS											
AVG. ANNUAL BILL PER CUSTOMER	$	281.06	$	233.26	$	227.36	$	215.45	$	202.56	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)		118.66		107.77		106.78		111.43		106.61	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)		236.87		216.43		212.91		193.34		189.99	20
UNMETERED GENERAL CUSTOMERS											
AVG. ANNUAL BILL PER CUSTOMER		-		-		-		-		-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)		-		-		-		-		-	22
AVG. REVENUE PER T GALLONS SOLD (CENTS)		-		-		-		-		-	23
WATER OPERATION AND MAINTENANCE EXPENSES											
SOURCE OF SUPPLY EXPENSES	$	19,552	$	30,974	$	25,828	$	17,258	$	11,716	24
POWER AND PUMPING EXPENSES		1,426,128		1,346,131		1,286,600		1,146,972		931,836	25
PURIFICATION EXPENSES		393,888		389,063		297,509		342,970		384,889	26
TRANSMISSION AND DISTRIBUTION EXPENSES		1,047,535		808,373		807,019		593,414		733,017	27
CUSTOMERS ACCT'G-COLLECTING EXPENSES		895,907		726,344		740,986		638,970		803,476	28
ADMINISTRATIVE-GENERAL EXPENSES		2,079,171		1,838,862		1,713,250		1,858,584		1,622,965	29
TOTAL WATER OPERATION-MAINT. EXPENSES	$	5,861,782	$	5,119,747	$	4,851,193	$	4,598,168	$	4,287,868	30
WATER UTILITY PLANT											
WATER UTILITY PLANT											
PLANT IN SERVICE	$	27,146,188	$	25,081,911	$	23,514,245	$	21,682,452	$	20,381,117	31
PLANT LEASED TO OTHERS		-		-		-		-		-	32
CONSTRUCTION WORK IN PROGRESS		1,423,515		642,291		1,228,714		911,930		1,378,346	33
PLANT HELD FOR FUTURE USE		-		-		-		-		-	34
PLANT ACQUISITION ADJUSTMENTS		66,889		70,282		74,673		79,086		83,457	35
OTHER PLANT ADJUSTMENTS		-		-		-		-		-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS		-		-		-		-		-	37
TOTAL WATER UTILITY PLANT		28,636,592		25,774,484		24,817,632		22,673,448		21,840,920	38
ACCUM PROV FOR DEPR. AMORT. , DEPLETION		6,987,405		6,608,207		6,319,968		6,047,524		5,764,439	39
NET WATER UTILITY PLANT	$	21,649,187	$	19,166,277	$	18,497,664	$	16,625,924	$	16,076,481	40
PLANT IN SERVICE BEGINNING OF YEAR	$	25,081,911	$	23,514,245	$	21,682,452	$	20,381,117	$	19,910,140	41
ADDITIONS		2,314,430		1,985,673		2,014,686		1,563,502		474,890	42
RETIREMENTS		174,759		225,470		173,958		119,986		3,913	43
TRANSFERS AND ADJUSTMENTS		95,394-		212,537-		8,937-		142,179-		-	44
PLANT IN SERVICE END OF YEAR	$	27,146,188	$	25,081,911	$	23,514,245	$	21,682,452	$	20,381,117	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

NEW YORK WATER SERVICE CORP

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 13,410,922	$ 11,036,203	$ 10,655,980	$ 10,114,104	$ 9,515,823
2	SALES (THOUSAND GALLONS)	5,157,617	4,680,877	4,615,972	4,798,698	4,589,028
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 876,286	$ 891,175	$ 842,844	$ 856,879	$ 812,682
4	WAGES AND BENEFITS	1,808,147	1,860,970	1,771,249	1,721,720	1,549,104
5	OTHER OPERATION AND MAINTENANCE EXPENSES	3,177,350	2,367,602	2,037,300	2,017,569	1,926,082
6	DEPRECIATION AND AMORTIZATION EXPENSES	545,794	496,907	441,455	391,383	366,021
7	INCOME TAXES - OPERATING	-	-	-	-	-
8	OTHER TAXES - OPERATING	3,764,761	3,119,985	3,152,149	2,858,303	2,551,033
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	577,972	785,316	739,618	754,816	804,223
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	2,660,613	1,514,249	1,671,574	1,513,484	1,506,678
12	TOTAL	$ 13,410,922	$ 11,036,203	$ 10,655,980	$ 10,114,104	$ 9,515,823
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	6.5	8.1	7.9	8.5	8.5
14	WAGES AND BENEFITS	13.5	16.9	16.6	17.0	16.3
15	OTHER OPERATION AND MAINTENANCE EXPENSES	23.7	21.5	19.1	19.9	20.2
16	DEPRECIATION AND AMORTIZATION EXPENSES	4.1	4.5	4.1	3.9	3.8
17	INCOME TAXES - OPERATING	-	-	-	-	-
18	OTHER TAXES - OPERATING	28.1	28.3	29.6	28.3	26.8
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.3	7.1	6.9	7.5	8.5
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	19.8	13.7	15.7	15.0	15.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	16.99	19.04	18.25	17.86	17.71
24	WAGES AND BENEFITS	35.06	39.76	38.37	35.88	33.76
25	OTHER OPERATION AND MAINTENANCE EXPENSES	61.61	50.58	44.14	42.04	41.97
26	DEPRECIATION AND AMORTIZATION EXPENSES	10.58	10.62	9.56	8.16	7.98
27	INCOME TAXES - OPERATING	-	-	-	-	-
28	OTHER TAXES - OPERATING	72.99	66.65	68.29	59.56	55.59
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	11.21	16.78	16.02	15.73	17.52
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	51.59	32.35	36.21	31.54	32.83
32	TOTAL	260.02	235.77	230.86	210.77	207.36

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

OWEGO WATER WORKS

LINE NO.	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 1,903,214	$ 1,492,728	$ 1,373,289	$ 1,349,908	$ 1,330,192
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	494,716	530,018	518,130	493,509	480,561
3	NET WATER PLANT	1,408,498	962,710	855,159	856,399	849,631
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	209,787	209,787	209,787	209,787	167,473
6	OTHER INVESTMENTS AND FUNDS	21,707	9,132	4,786	7,939	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	231,494	218,919	214,573	217,726	167,473
8	CASH AND WORKING FUNDS	30,803	6,900	6,297	9,069	24,683
9	SPECIAL DEPOSITS	-	-	-	-	-
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	13,703	68,389	65,586	46,805	23,537
12	RECEIVABLES FROM ASSOCIATED COMPANIES	1,639	1,334	1,441	7,333	1,338
13	MATERIALS AND SUPPLIES	18,529	20,210	23,398	23,699	25,342
14	PREPAYMENTS	44,567	38,332	35,342	26,046	34,733
15	OTHER CURRENT AND ACCRUED ASSETS	92,003	81,400	82,511	84,156	66,931
16	TOTAL CURRENT AND ACCRUED ASSETS	201,124	216,565	214,575	197,108	176,564
17	UNAMORTIZED DEBT EXPENSE	-	-	-	13	463
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	239	-	1,748	1,748	1,748
20	CLEARING ACCOUNTS	-	-	1,439	-	2,251
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	19,938	100	8-	5,185	7,990
23	TOTAL DEFERRED DEBITS	20,177	100	3,179	6,946	12,452
24	TOTAL ASSETS AND OTHER DEBITS	$ 1,861,293	$ 1,398,294	$ 1,287,486	$ 1,278,179	$ 1,206,120
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 33,600	$ 33,600	$ 33,600	$ 33,600	$ 33,600
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	817,690	532,690	532,690	366,690	266,690
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	823,667	729,739	638,822	557,729	494,364
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	1,674,957	1,296,029	1,205,112	958,019	794,654
36	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	245,000
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	-	-	-	-	-
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	-	-	-	-	245,000
41	NOTES AND ACCOUNTS PAYABLE	29,908	11,909	4,044	24,540	70,837
42	PAYABLES TO ASSOCIATED COMPANIES	53,189	8,251	1,260	2,387	1,861
43	CUSTOMERS' DEPOSITS	5,189	4,436	3,254	3,075	1,750
44	TAXES ACCRUED	2,421-	4,488	22,737	9,780-	17,672
45	OTHER CURRENT AND ACCRUED LIABILITIES	21,401	20,943	15,935	270,519	50,545
46	TOTAL CURRENT AND ACCRUED LIABILITIES	107,266	50,027	47,230	290,741	142,665
47	CUSTOMER ADVANCES FOR CONSTRUCTION	-	-	-	-	-
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	31,598	32,359	20,712	18,638	15,209
49	OTHER DEFERRED CREDITS	251	-	-	-	-
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	47,221	19,879	14,397	8,601	4,917
52	OTHER	-	-	35	2,180	3,675
53	TOTAL DEFERRED CREDITS	79,070	52,238	35,144	29,419	23,801
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 1,861,293	$ 1,398,294	$ 1,287,486	$ 1,278,179	$ 1,206,120
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	CURRENT ASSETS / CURRENT LIABILITIES	1.88	4.33	4.54	0.68	1.24
	PERCENT OF CAPITALIZATION					
57	LONG TERM DEBT	-	-	-	-	23.5
58	PREFERRED STOCK	-	-	-	-	-
59	COMMON STOCK + OTHER PAID-IN CAPITAL	50.8	43.6	46.9	41.7	28.8
60	RETAINED EARNINGS	49.1	56.3	53.0	58.2	47.5
	LONG-TERM DEBT					
61	PERCENT OF GROSS WATER PLANT	-	-	-	-	18.4
62	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	25.9	35.5	37.7	36.5	36.1

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

OWEGO WATER WORKS

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM		1986	1985	1984	1983	1982	LINE NO
WATER OPERATING INCOME							
OPERATING REVENUES	$	677,484 $	671,000 $	673,466 $	641,491 $	522,166	1
OPERATION AND MAINTENANCE EXPENSES		316,896	316,013	287,708	341,326	348,961	2
DEPRECIATION		33,761	29,044	26,226	26,274	25,826	3
AMORTIZATION		-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES		135,734	124,258	126,661	126,236	106,501	5
INCOME TAXES		57,406	71,896	66,236	40,847	1,580-	6
GAINS FROM DISP. OF UTILITY PLANT							7
LOSSES FROM DISP. OF UTILITY PLANT							8
TOTAL OPERATING EXPENSES		542,896	540,211	560,840	534,681	479,307	9
NET OPERATING REVENUES		134,568	130,789	118,626	106,810	42,858	10
INCOME FROM PLANT LEASED TO OTHERS		-	-	-	-	-	11
TOTAL WATER OPERATING INCOME		134,568	130,789	118,626	106,810	42,858	12
OTHER INCOME							
INCOME FROM MDSE, JOBBING-CONTRACT WORK		23	-	-	264	-	13
INCOME FROM NONUTILITY OPERATIONS		-	-	-	-	-	14
NONOPERATING RENTAL INCOME		-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME		-	-	-	-	83	16
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	-	-	-	17
MISCELLANEOUS NONOPERATING INCOME		-	500	1,291	-	483	18
GAIN ON DISPOSITION OF PROPERTY		-	-	-	-	-	19
TOTAL OTHER INCOME		23	500	1,291	264	525	20
TOTAL INCOME		134,591	131,289	119,917	107,074	43,383	21
OTHER INCOME DEDUCTIONS							
LOSS ON DISPOSITION OF PROPERTY		-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION		-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS		-	-	-	-	-	24
TAXES OTHER THAN INC TAXES-NONOPERATING		-	-	-	94	258	25
INCOME TAXES-NONOPERATING		761-	677-	611-	616-	722	26
TOTAL OTHER INCOME DEDUCTIONS		761-	677-	611-	522-	980	27
INCOME BEFORE INTEREST CHARGES		135,352	131,966	120,528	107,596	42,403	28
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		-	-	-	18,620	16,233	29
AMORT OF DEBT DISCOUNT EXPENSE		-	-	13	460	342	30
AMORT OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES		53,777	44,830	36,210	33,124	22,116	32
OTHER INTEREST CHARGES		223	565	56	2,279	2,499	33
TOTAL INTEREST CHARGES		54,000	45,395	36,279	54,483	41,190	34
EXTRAORDINARY ITEMS							
EXTRAORDINARY INCOME		-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS		-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS		-	-	-	-	-	37
NET EXTRAORDINARY ITEMS		-	-	-	-	-	38
NET INCOME	$	81,352 $	86,571 $	84,249 $	53,113 $	1,213	39
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YRS		729,739 $	638,822 $	557,729 $	494,384 $	494,716	40
BALANCE TRANSFERRED FROM INCOME		81,352	86,571	84,249	53,113	1,213	41
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK		-	-	-	-	-	43
-COMMON STOCK		-	-	-	-	-	44
ADJUSTMENTS TO RETAINED EARNINGS		12,576	4,346	3,156-	10,232	1,545-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR		823,667	729,739	638,822	557,729	494,384	46
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$	823,667 $	729,739 $	638,822 $	557,729 $	494,384	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1986	1985	1984	1983	1982	LINE NO
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	46.8	46.9	42.7	53.2	66.7	49
DEPRECIATION AND AMORTIZATION	4.9	4.3	3.8	4.0	4.9	50
INCOME TAXES	8.4	10.7	10.0	6.3	0.3-	51
OTHER TAXES	20.0	18.5	18.9	19.6	20.3	52
TOTAL OPERATING EXPENSES	80.1	80.5	82.5	83.3	91.7	53
OPERATING INCOME	19.9	19.4	17.4	16.6	8.2	54
INTEREST EXPENSE						
PRETAX COVERAGE	3.5	4.5	5.2	2.7	1.0	55
NET INCOME - % OF OPERATING REVENUES	12.0	12.9	12.3	8.2	0.2	56
DIVIDEND APPROPRIATIONS COMMON STOCK:						
PERCENT OF EARNINGS AVAILABLE FOR COMMON	-	-	-	-	-	57
PERCENT OF AVERAGE COMMON EQUITY:						
EARNINGS AVAILABLE FOR COMMON EQUITY	6.4	6.9	7.7	6.0	0.1	58

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

OWEGO WATER WORKS

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 81,352	$ 86,571	$ 84,249	$ 53,113	$ 1,213
	NON CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	33,751	29,044	31,434	39,333	34,153
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	26,832	17,094	5,725	5,618	8,746
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	141,936	132,709	121,408	98,064	44,112
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	141,936	132,709	121,408	98,064	44,112
10	LESS DIVIDENDS PREFERRED	-	-	-	-	-
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	141,936	132,709	121,408	98,064	44,112
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	-	50,209
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	2,200	-	166,000	98,648	172,300
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	2,200	-	166,000	98,648	222,509
20	OTHER SOURCES (NET)	357,680	3,994	1,727	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 501,815	$ 136,703	$ 289,135	$ 196,712	$ 266,621
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 474,610	$ 134,963	$ 26,726	$ 31,690	$ 41,102
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	474,610	134,963	26,726	31,690	41,102
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	474,610	134,963	26,726	31,690	41,102
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	-	-	245,000	39,450	20,263
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	40,000	155,000
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	-	-	245,000	79,450	175,263
37	OTHER USES (NET)	27,206	1,740	17,409	85,572	50,256
38						
39						
40	TOTAL FUNDS APPLIED	$ 501,815	$ 136,703	$ 289,135	$ 196,712	$ 266,621

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

OWEGO WATER WORKS

ITEM	1986	1985	1984	1983	1982	LINE NO.
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 613,210	$ 606,968	$ 614,610	$ 581,968	$ 474,012	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	19,175	20,039	21,286	18,390	12,734	3
OTHER SALES OF WATER	42,689	42,197	41,137	38,466	33,662	4
TOTAL REVENUES FROM SALES OF WATER	675,074	669,204	677,033	638,824	520,408	5
OTHER WATER OPERATING REVENUES	2,390	1,796	2,433	2,667	1,757	6
TOTAL WATER OPERATING REVENUES	$ 677,464	$ 671,000	$ 679,466	$ 641,491	$ 522,165	7
WATER SALES(T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	428,437	456,000	478,930	485,540	465,508	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	27,453	28,675	30,348	28,636	22,889	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	455,890	484,675	509,278	514,176	488,397	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	1,449	1,436	1,409	1,413	1,434	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	2	2	2	2	2	15
OTHER SALES OF WATER	22	21	21	22	21	16
TOTAL CUSTOMERS	1,473	1,459	1,432	1,437	1,457	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 423.19	$ 422.67	$ 436.20	$ 411.86	$ 330.55	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	295.67	317.54	339.90	343.62	324.62	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	143.13	133.11	128.33	119.86	101.83	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T GALLONS SOLD(CENTS)	-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 13,905	$ 14,030	$ 10,180	$ 8,693	$ 13,649	24
POWER AND PUMPING EXPENSES	89,307	94,045	94,178	103,101	84,270	25
PURIFICATION EXPENSES	6,530	6,219	7,190	8,181	6,839	26
TRANSMISSION AND DISTRIBUTION EXPENSES	40,573	37,664	38,610	42,386	51,210	27
CUSTOMERS ACCT G+COLLECTING EXPENSES	22,329	22,202	21,742	20,994	28,151	28
ADMINISTRATIVE+GENERAL EXPENSES	143,212	140,863	165,663	157,989	164,242	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 315,856	$ 315,013	$ 337,708	$ 341,324	$ 348,561	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 1,914,607	$ 1,497,944	$ 1,384,682	$ 1,361,301	$ 1,325,481	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	-	6,177	-	-	16,104	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	11,393-	11,393-	11,393-	11,393-	11,393-	37
TOTAL WATER UTILITY PLANT	1,903,214	1,492,728	1,373,289	1,349,908	1,330,192	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION	494,716	530,018	518,130	493,509	480,561	39
NET WATER UTILITY PLANT	$ 1,408,498	$ 962,710	$ 855,159	$ 856,399	$ 849,631	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 1,497,944	$ 1,384,682	$ 1,361,301	$ 1,325,481	$ 1,303,286	41
ADDITIONS	480,790	128,786	26,782	45,572	29,938	42
RETIREMENTS	64,127	15,524	3,401	9,752	7,743	43
TRANSFERS AND ADJUSTMENTS	-	-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 1,914,607	$ 1,497,944	$ 1,384,682	$ 1,361,301	$ 1,325,481	45

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MAJOR WATER COMPANIES OPERATING IN THE [illegible]ATE O[illegible] YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

OWEGO WATER WORKS

LINE NO	ITEM		1986		1985		1984		1983		1982
1	REVENUES	$	677,464	$	671,000	$	679,466	$	641,491	$	522,165
2	SALES (THOUSAND GALLONS)		455,890		484,675		509,278		514,176		488,397
	DOLLAR AMOUNTS										
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$	77,841	$	79,546	$	83,599	$	78,657	$	68,565
4	WAGES AND BENEFITS		97,662		127,057		127,628		126,356		134,996
5	OTHER OPERATION AND MAINTENANCE EXPENSES		140,353		108,410		126,481		136,311		145,000
6	DEPRECIATION AND AMORTIZATION EXPENSES		33,751		29,044		26,236		26,274		25,825
7	INCOME TAXES - OPERATING		57,495		71,896		68,235		40,847		1,580-
8	OTHER TAXES - OPERATING		135,794		124,258		128,661		126,236		105,501
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		54,000		45,395		36,279		54,483		41,190
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
11	EARNINGS AVAILABLE FOR COMMON EQUITY		80,568		85,394		82,347		52,327		1,668
12	TOTAL	$	677,464	$	671,000	$	679,466	$	641,491	$	522,165
	PERCENT OF REVENUES										
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICAL FOR TREATMENT		11.5		11.9		12.3		12.3		13.1
14	WAGES AND BENEFITS		14.4		18.9		18.8		19.7		25.9
15	OTHER OPERATION AND MAINTENANCE EXPENSES		20.7		16.2		18.6		21.2		27.8
16	DEPRECIATION AND AMORTIZATION EXPENSES		5.0		4.3		3.9		4.1		4.9
17	INCOME TAXES - OPERATING		8.5		10.7		10.0		6.4		0.2-
18	OTHER TAXES - OPERATING		20.0		18.5		18.9		19.7		20.4
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		8.0		6.8		5.3		8.5		7.9
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
21	EARNINGS AVAILABLE FOR COMMON EQUITY		11.9		12.7		12.1		8.2		0.3
22	TOTAL		100.0		100.0		100.0		100.0		100.0
	CENTS PER THOUSAND GALLONS SOLD										
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT		17.07		16.41		16.42		15.30		14.04
24	WAGES AND BENEFITS		21.42		26.21		25.06		24.57		27.64
25	OTHER OPERATION AND MAINTENANCE EXPENSES		30.79		22.37		24.84		26.51		29.69
26	DEPRECIATION AND AMORTIZATION EXPENSES		7.40		5.99		5.15		5.11		5.29
27	INCOME TAXES - OPERATING		12.61		14.83		13.40		7.94		0.31-
28	OTHER TAXES - OPERATING		29.79		25.64		25.26		24.55		21.81
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		11.84		9.37		7.12		10.60		8.43
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
31	EARNINGS AVAILABLE FOR COMMON EQUITY		17.67		17.62		16.17		10.18		0.34
32	TOTAL		148.60		138.44		133.42		124.76		106.91

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

SEA CLIFF WATER COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 2,626,044	$ 2,450,181	$ 2,290,502	$ 2,168,905	$ 2,079,003
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	1,017,132	975,321	939,794	906,584	873,474
3	NET WATER PLANT	1,608,912	1,474,860	1,350,708	1,262,321	1,205,529
4	OTHER PHYSICAL PROPERTY	176	176	176	176	176
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	176	176	176	176	176
8	CASH AND WORKING FUNDS	658,648	229,923	140,007	224,629	135,733
9	SPECIAL DEPOSITS	100	100	100	100	100
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	186,280	182,415	190,451	180,529	177,990
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
13	MATERIALS AND SUPPLIES	24,937	29,634	26,926	23,597	17,017
14	PREPAYMENTS	39,002	31,729	25,938	25,284	23,389
15	OTHER CURRENT AND ACCRUED ASSETS	94,430	74,225	96,570	59,746	81,700
16	TOTAL CURRENT AND ACCRUED ASSETS	1,003,397	548,026	479,992	513,885	435,929
17	UNAMORTIZED DEBT EXPENSE	13,276	16,240	18,688	-	-
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	56,073	13,390	46,538	16,195	25,633
23	TOTAL DEFERRED DEBITS	69,349	29,630	65,226	16,195	25,633
24	TOTAL ASSETS AND OTHER DEBITS	$ 2,681,834	$ 2,052,692	$ 1,896,102	$ 1,792,577	$ 1,667,267
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 24,950	$ 24,950	$ 24,950	$ 24,950	$ 24,950
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	319,496	319,496	319,496	319,496	319,496
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	702,674	618,289	540,069	423,989	318,904
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	1,047,120	962,735	884,515	768,435	663,350
36	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	638,000	696,000	739,000	-	-
39	NET UNAMORTIZED DEBT PREMIUM - DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	638,000	696,000	739,000	-	-
41	NOTES AND ACCOUNTS PAYABLE	103,118	40,785	9,169	770,240	811,659
42	PAYABLES TO ASSOCIATED COMPANIES	-	10,320	-	144	-
43	CUSTOMERS' DEPOSITS	8,990	7,000	6,085	6,335	5,732
44	TAXES ACCRUED	54,433	69,074	21,837	25,208	24,121
45	OTHER CURRENT AND ACCRUED LIABILITIES	58,399	41,867	40,556	58,889	55,322
46	TOTAL CURRENT AND ACCRUED LIABILITIES	224,940	169,046	77,647	860,816	896,834
47	CUSTOMER ADVANCES FOR CONSTRUCTION	541,482	101,659	79,159	95,159	58,659
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	61,768	62,648	43,767	39,531	15,223
49	OTHER DEFERRED CREDITS	62,429	2,862	2,862	2,862	4,337
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	53,445	34,830	22,570	13,107	6,207
52	OTHER	52,650	22,912	46,582	12,667	22,657
53	TOTAL DEFERRED CREDITS	771,774	224,911	194,940	163,326	107,083
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 2,681,834	$ 2,052,692	$ 1,896,102	$ 1,792,577	$ 1,667,267
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	CURRENT ASSETS / CURRENT LIABILITIES	4.46	3.24	6.18	0.60	0.49
	PERCENT OF CAPITALIZATION:					
57	LONG TERM DEBT	37.8	41.9	45.5	-	-
58	PREFERRED STOCK	-	-	-	-	-
59	COMMON STOCK + OTHER PAID-IN CAPITAL	20.4	20.7	21.2	44.8	51.9
60	RETAINED EARNINGS	41.6	37.2	33.2	55.1	48.0
	LONG-TERM DEBT					
61	PERCENT OF GROSS WATER PLANT	24.2	28.4	32.2	-	-
62	ACCUMULATED PROVISION FOR DEPRE +AMORT PERCENT OF WATER PLANT	38.7	39.8	41.0	41.7	42.0

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

SEA CLIFF WATER COMPANY

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM		1986	1985	1984	1983	1982	LINE NO
WATER OPERATING INCOME							
OPERATING REVENUES	$	1,236,811 $	1,131,991 $	955,652 $	899,334 $	787,088	1
OPERATION AND MAINTENANCE EXPENSES		549,594	447,206	375,274	357,767	351,432	2
DEPRECIATION		41,602	37,209	35,794	34,312	31,540	3
AMORTIZATION		181	181	181	181	180	4
TAXES OTHER THAN INCOME TAXES		342,159	344,192	295,692	280,367	253,053	5
INCOME TAXES		84,600	89,200	44,200	45,000	22,000	6
GAINS FROM DISP. OF UTILITY PLANT							7
LOSSES FROM DISP. OF UTILITY PLANT							8
TOTAL OPERATING EXPENSES		1,018,136	917,988	751,141	717,627	658,205	9
NET OPERATING REVENUES		218,675	214,003	204,511	181,707	128,883	10
INCOME FROM PLANT LEASED TO OTHERS		-	-	-	-	-	11
TOTAL WATER OPERATING INCOME		218,675	214,003	204,511	181,707	128,883	12
OTHER INCOME							
INCOME FROM MDSE, JOBBING+CONTRACT WORK		-	-	-	-	-	13
INCOME FROM NONUTILITY OPERATIONS		-	-	-	-	-	14
NONOPERATING RENTAL INCOME		-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME		10,456	12,527	18,599	17,608	921	16
ALLOWANCE FOR CONSTRUCTION FUNDS		-	-	-	-	1,010	17
MISCELLANEOUS NONOPERATING INCOME		-	-	-	-	-	18
GAIN ON DISPOSITION OF PROPERTY		-	-	-	-	-	19
TOTAL OTHER INCOME		10,456	12,527	18,599	17,608	1,931	20
TOTAL INCOME		229,131	226,530	223,110	199,315	130,814	21
OTHER INCOME DEDUCTIONS							
LOSS ON DISPOSITION OF PROPERTY		-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION		-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS		-	-	-	-	-	24
TAXES OTHER THAN INC TAXES-NONOPERATING		392	470	-	-	-	25
INCOME TAXES-NONOPERATING		3,500	4,000	5,000	4,618	3,056-	26
TOTAL OTHER INCOME DEDUCTIONS		3,892	4,470	5,000	4,618	3,056-	27
INCOME BEFORE INTEREST CHARGES		225,239	222,060	218,110	194,697	133,870	28
INTEREST CHARGES							
INTEREST ON LONG-TERM DEBT		82,285	85,811	98,264	-	20,527	29
AMORT OF DEBT DISCOUNT EXPENSE		2,964	2,448	3,211	-	2,509	30
AMORT OF PREMIUM ON DEBT-CREDIT		-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES		-	-	-	-	-	32
OTHER INTEREST CHARGES		605	581	555	89,612	28,206	33
TOTAL INTEREST CHARGES		85,854	88,840	102,030	89,612	51,242	34
EXTRAORDINARY ITEMS							
EXTRAORDINARY INCOME		-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS		-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS		-	-	-	-	-	37
NET EXTRAORDINARY ITEMS		-	-	-	-	-	38
NET INCOME	$	139,385 $	133,220 $	116,080 $	105,085 $	82,628	39
RETAINED EARNINGS							
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$	618,289 $	540,069 $	423,989 $	318,904 $	536,276	40
BALANCE TRANSFERRED FROM INCOME		139,385	133,220	116,080	105,085	82,628	41
APPROPRIATIONS OF RETAINED EARNINGS		-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK		-	-	-	-	-	43
-COMMON STOCK		55,000	55,000	-	-	300,000	44
ADJUSTMENTS TO RETAINED EARNINGS		-	-	-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR		702,674	618,289	540,069	423,989	318,904	46
APPROPRIATED RETAINED EARNINGS		-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$	702,674 $	618,289 $	540,069 $	423,989 $	318,904	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1986	1985	1984	1983	1982	LINE NO
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	44.4	39.5	39.2	39.7	44.6	49
DEPRECIATION AND AMORTIZATION	3.3	3.3	3.7	3.8	4.0	50
INCOME TAXES	6.8	7.8	4.6	5.0	2.7	51
OTHER TAXES	27.6	30.4	30.9	31.1	32.1	52
TOTAL OPERATING EXPENSES	82.3	81.0	78.5	79.7	83.6	53
OPERATING INCOME	17.6	18.9	21.4	20.2	16.3	54
INTEREST EXPENSE						
PRETAX COVERAGE	3.6	3.5	2.6	2.7	3.0	55
NET INCOME - % OF OPERATING REVENUES	11.2	11.7	12.1	11.6	10.4	56
DIVIDEND APPROPRIATIONS,COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE FOR COMMON	39.4	41.2	-	-	363.0	57
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	13.8	14.4	14.0	14.6	10.7	58

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

SEA CLIFF WATER COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 139,385	$ 133,220	$ 116,080	$ 105,085	$ 82,628
	NON CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	67,990	82,484	48,723	72,470	40,574
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	47,473	7,471	47,614	-	18,944
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	430	405	405	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	255,278	223,580	212,822	177,555	142,146
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	255,278	223,580	212,822	177,555	142,1[illegible]5
10	LESS DIVIDENDS: PREFERRED	-	-	-	-	-
11	COMMON	55,000	55,000	-	-	300,000
12	NET FUNDS FROM INTERNAL SOURCES	200,278	168,580	212,822	177,555	157,854-
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	760,000	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	499,390	22,500	-	36,500	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	499,390	22,500	760,000	36,500	-
20	OTHER SOURCES (NET)	-	23,365	-	-	565,493
21						
22						
23	TOTAL FUNDS PROVIDED	$ 699,668	$ 214,445	$ 972,822	$ 214,055	$ 407,639
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 176,265	$ 160,686	$ 122,834	$ 91,099	$ 129,294
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	176,265	160,686	122,834	91,099	129,294
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	176,265	160,686	122,834	91,099	129,294
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	58,000	43,000	21,000	-	270,000
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	40,000	-
34	OTHER (NET)	-	-	16,000	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	58,000	43,000	37,000	40,000	270,000
37	OTHER USES (NET)	465,403	10,759	812,988	82,956	8,345
38						
39						
40	TOTAL FUNDS APPLIED	$ 699,668	$ 214,445	$ 972,822	$ 214,055	$ 407,639

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

SEA CLIFF WATER COMPANY

WATER OPERATING REVENUES

ITEM	1986	1985	1984	1983	1982	LINE NO
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 1,071,128	$ 966,042	$ 820,898	$ 773,698	$ 674,546	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	157,862	159,798	127,979	121,993	111,862	4
TOTAL REVENUES FROM SALES OF WATER	1,228,990	1,125,840	948,877	895,691	786,408	5
OTHER WATER OPERATING REVENUES	7,821	6,151	6,775	3,643	680	6
TOTAL WATER OPERATING REVENUES	$ 1,236,811	$ 1,131,991	$ 955,652	$ 899,334	$ 787,088	7
WATER SALES (T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	406,804	375,686	368,280	398,798	373,333	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	406,804	375,686	368,280	398,798	373,333	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	4,088	4,081	4,065	4,043	4,010	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	381	380	379	379	360	16
TOTAL CUSTOMERS	4,469	4,461	4,444	4,422	4,370	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 252.01	$ 236.71	$ 201.94	$ 191.36	$ 168.21	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	99.51	92.05	90.59	98.63	93.10	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	263.30	257.14	222.90	194.01	180.68	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T GALLONS SOLD (CENTS)	-	-	-	-	-	23

WATER OPERATION AND MAINTENANCE EXPENSES

ITEM	1986	1985	1984	1983	1982	LINE NO
SOURCE OF SUPPLY EXPENSES	$ 10,224	$ 9,896	$ 6,247	$ 5,789	$ 5,790	24
POWER AND PUMPING EXPENSES	125,798	124,648	109,554	91,145	93,841	25
PURIFICATION EXPENSES	52,427	33,990	29,827	25,810	23,155	26
TRANSMISSION AND DISTRIBUTION EXPENSES	83,699	51,490	34,317	37,384	43,002	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	111,058	102,985	92,888	89,809	77,921	28
ADMINISTRATIVE+GENERAL EXPENSES	166,388	124,197	102,441	107,830	107,723	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 549,594	$ 447,206	$ 375,274	$ 357,767	$ 351,432	30

WATER UTILITY PLANT

ITEM	1986	1985	1984	1983	1982	LINE NO
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 2,570,075	$ 2,412,371	$ 2,212,585	$ 2,151,167	$ 2,068,415	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	55,969	37,810	77,917	17,738	10,588	33
PLANT HELD FOR FUTURE USE	-	-	-	-	-	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	2,626,044	2,450,181	2,290,502	2,168,905	2,079,003	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION	1,017,132	975,321	939,794	906,584	873,474	39
NET WATER UTILITY PLANT	$ 1,608,912	$ 1,474,860	$ 1,350,708	$ 1,262,321	$ 1,205,529	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 2,412,371	$ 2,212,585	$ 2,151,167	$ 2,068,415	$ 1,942,231	41
ADDITIONS	158,106	200,810	62,721	83,949	130,115	42
RETIREMENTS	402	1,024	1,238	1,197	3,931	43
TRANSFERS AND ADJUSTMENTS	-	-	65-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 2,570,075	$ 2,412,371	$ 2,212,585	$ 2,151,167	$ 2,068,415	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

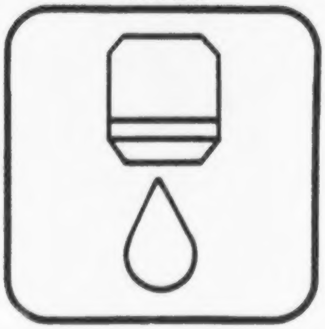
DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

SEA CLIFF WATER COMPANY

LINE NO	ITEM		1986		1985		1984		1983		1982
1	REVENUES	$	1,236,811	$	1,131,991	$	955,652	$	899,334	$	787,088
2	SALES (THOUSAND GALLONS)		406,804		375,686		368,280		398,798		373,333
						DOLLAR AMOUNTS					
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$	99,526	$	97,392	$	94,789	$	91,493	$	85,640
4	WAGES AND BENEFITS		141,260		127,344		106,302		90,959		103,544
5	OTHER OPERATION AND MAINTENANCE EXPENSES		308,808		222,470		174,183		175,315		162,248
6	DEPRECIATION AND AMORTIZATION EXPENSES		41,783		37,390		35,975		34,493		31,720
7	INCOME TAXES - OPERATING		84,600		89,200		44,200		45,000		22,000
8	OTHER TAXES - OPERATING		342,159		344,192		295,692		280,367		253,053
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		85,854		88,840		102,030		89,612		51,242
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
11	EARNINGS AVAILABLE FOR COMMON EQUITY		132,821		125,163		102,481		92,095		77,641
12	TOTAL	$	1,236,811	$	1,131,991	$	955,652	$	899,334	$	787,088
						PERCENT OF REVENUES					
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT		8.0		8.6		9.9		10.2		10.9
14	WAGES AND BENEFITS		11.4		11.2		11.1		10.1		13.2
15	OTHER OPERATION AND MAINTENANCE EXPENSES		25.0		19.7		18.2		19.5		20.6
16	DEPRECIATION AND AMORTIZATION EXPENSES		3.4		3.3		3.8		3.8		4.0
17	INCOME TAXES - OPERATING		6.8		7.9		4.6		5.0		2.8
18	OTHER TAXES - OPERATING		27.7		30.4		30.9		31.2		32.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		6.9		7.8		10.7		10.0		6.5
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
21	EARNINGS AVAILABLE FOR COMMON EQUITY		10.7		11.1		10.7		10.2		9.9
22	TOTAL		100.0		100.0		100.0		100.0		100.0
						CENTS PER THOUSAND GALLONS SOLD					
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT		24.47		25.92		25.74		22.94		22.94
24	WAGES AND BENEFITS		34.72		33.90		28.86		22.81		27.74
25	OTHER OPERATION AND MAINTENANCE EXPENSES		75.91		59.22		47.30		43.96		43.46
26	DEPRECIATION AND AMORTIZATION EXPENSES		10.27		9.95		9.77		8.65		8.50
27	INCOME TAXES - OPERATING		20.80		23.74		12.00		11.28		5.89
28	OTHER TAXES - OPERATING		84.11		91.62		80.29		70.30		67.78
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS		21.10		23.65		27.70		22.47		13.73
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS		-		-		-		-		-
31	EARNINGS AVAILABLE FOR COMMON EQUITY		32.65		33.32		27.83		23.09		20.80
32	TOTAL		304.03		301.31		259.49		225.51		210.83

WATER



MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

SHOREWOOD WATER CORP

LINE NO	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 5,657,796	$ 4,836,664	$ 3,999,728	$ 3,624,631	$ 3,267,490
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	783,781	699,538	626,427	562,608	504,306
3	NET WATER PLANT	4,874,013	4,137,126	3,373,301	3,062,023	2,763,183
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-	-	-	-	-
8	CASH AND WORKING FUNDS	126,256	1,007	11,216	9,329	7,184
9	SPECIAL DEPOSITS	-	-	-	-	-
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	89,074	255,719	54,576	80,764	72,082
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	-
13	MATERIALS AND SUPPLIES	14,190	7,613	7,514	8,503	11,465
14	PREPAYMENTS	1,555	1,084	2,042	2,042	1,127
15	OTHER CURRENT AND ACCRUED ASSETS	200	200	200	200	200
16	TOTAL CURRENT AND ACCRUED ASSETS	231,276	265,825	75,550	100,838	92,059
17	UNAMORTIZED DEBT EXPENSE	-	-	-	-	-
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	-	1,443	1,407	1,334	1,334
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	-	-	-	-	1,445
23	TOTAL DEFERRED DEBITS	-	1,443	1,407	1,334	2,780
24	TOTAL ASSETS AND OTHER DEBITS	$ 5,105,290	$ 4,404,394	$ 3,450,260	$ 3,164,196	$ 2,858,023
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	-	-	-	-	-
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	-	-	-	-	-
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	469,551	256,778	193,101	153,153	-
34	REACQUIRED CAPITAL STOCK	-	-	-	-	23,483
35	TOTAL PROPRIETARY CAPITAL	481,551	268,778	205,101	165,153	35,483
36	BONDS (LESS BONDS REACQUIRED)	-	-	-	-	-
37	ADVANCES FROM ASSOCIATED COMPANIES	380,443	369,426	359,590	350,808	342,967
38	OTHER LONG TERM DEBT	58,500	106,782	106,782	203,758	180,625
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	438,943	476,209	466,373	554,567	523,592
41	NOTES AND ACCOUNTS PAYABLE	114,003	335,155	134,021	78,768	35,000
42	PAYABLES TO ASSOCIATED COMPANIES	-	-	-	-	73,547
43	CUSTOMERS' DEPOSITS	-	-	-	-	-
44	TAXES ACCRUED	27,994	26,308	22,805	11,023	19,559
45	OTHER CURRENT AND ACCRUED LIABILITIES	116,942	107,576	74,764	65,707	149,878
46	TOTAL CURRENT AND ACCRUED LIABILITIES	258,941	469,039	231,592	155,498	277,985
47	CUSTOMER ADVANCES FOR CONSTRUCTION	3,893,531	3,162,216	2,520,125	2,257,729	1,996,434
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	-	-	-	-	-
49	OTHER DEFERRED CREDITS	32,323	28,150	27,067	31,247	24,527
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	-	-	-	-	-
52	OTHER	-	-	-	-	-
53	TOTAL DEFERRED CREDITS	3,925,854	3,190,366	2,547,192	2,288,977	2,020,962
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 5,105,290	$ 4,404,394	$ 3,450,260	$ 3,164,196	$ 2,858,023
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	CURRENT ASSETS / CURRENT LIABILITIES	0.89	0.57	0.33	0.65	0.33
	PERCENT OF CAPITALIZATION					
57	LONG TERM DEBT	47.6	63.9	69.4	77.0	93.6
58	PREFERRED STOCK	-	-	-	-	-
59	COMMON STOCK + OTHER PAID-IN CAPITAL	1.3	1.6	1.7	1.6	6.3
60	RETAINED EARNINGS	51.0	34.4	28.7	21.2	-
	LONG-TERM DEBT					
61	PERCENT OF GROSS WATER PLANT	7.7	9.8	11.6	15.2	16.0
62	ACCUMULATED PROVISION FOR DEPRE +AMORT PERCENT OF WATER PLANT	13.8	14.4	15.6	15.5	15.4

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

SHOREWOOD WATER CORP

ITEM	1986	1985	1984	1983	1982	LINE NO
COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT						
WATER OPERATING INCOME						
OPERATING REVENUES	$ 708,339	$ 553,652	$ 559,872	$ 571,523	$ 455,696	1
OPERATION AND MAINTENANCE EXPENSES	391,456	389,649	354,321	291,382	265,831	2
DEPRECIATION	84,243	73,110	63,818	58,301	51,799	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	89,825	88,129	88,284	80,745	69,563	5
INCOME TAXES	-	-	2,160	-	-	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	565,525	550,890	508,586	430,430	387,185	9
NET OPERATING REVENUES	142,814	2,762	51,286	141,092	68,511	10
INCOME FROM PLANT LEASED TO OTHERS	421	-	-	3,625	3,059	11
TOTAL WATER OPERATING INCOME	143,235	2,762	51,286	144,717	71,570	12
OTHER INCOME						
INCOME FROM MDSE. JOBBING-CONTRACT WORK	68,831	96,313	30,328	27,887	41,154	13
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	14
NONOPERATING RENTAL INCOME	-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME	2,852	384	1,807	537	9	16
ALLOWANCE FOR CONSTRUCTION FUNDS	7,663	-	-	-	-	17
MISCELLANEOUS NONOPERATING INCOME	-	1,966	374	359	468	18
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	19
TOTAL OTHER INCOME	79,348	98,663	32,509	28,783	41,631	20
TOTAL INCOME	222,583	101,425	83,795	173,500	113,201	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS	-	-	-	-	-	24
TAXES OTHER THAN INC TAXES-NONOPERATING	-	-	-	-	-	25
INCOME TAXES-NONOPERATING	-	-	-	-	-	26
TOTAL OTHER INCOME DEDUCTIONS	-	-	-	-	-	27
INCOME BEFORE INTEREST CHARGES	222,583	101,425	83,795	173,500	113,201	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	11,470	14,143	22,630	23,445	32,269	29
AMORT OF DEBT DISCOUNT EXPENSE	-	-	-	-	-	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	11,016	9,836	8,782	7,841	7,001	32
OTHER INTEREST CHARGES	7,162	13,769	12,435	12,544	19,468	33
TOTAL INTEREST CHARGES	29,648	37,749	43,848	43,830	58,739	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	19,837	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS	-	-	-	-	-	37
NET EXTRAORDINARY ITEMS	19,837	-	-	-	-	38
NET INCOME	$ 212,772	$ 63,677	$ 39,948	$ 129,670	$ 54,462	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 256,778	$ 193,101	$ 153,153	$ 23,483	$ 30,979-	40
BALANCE TRANSFERRED FROM INCOME	212,772	63,677	39,948	129,670	54,462	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	43
-COMMON STOCK	-	-	-	-	-	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	469,551	256,778	193,101	153,153	23,483	46
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 469,551	$ 256,778	$ 193,101	$ 153,153	$ 23,483	48
SELECTED INCOME ACCOUNT RELATIONSHIPS						
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	55.2	70.3	63.2	50.9	58.3	49
DEPRECIATION AND AMORTIZATION	11.8	13.2	11.3	10.2	11.3	50
INCOME TAXES	-	-	0.3	-	-	51
OTHER TAXES	12.6	15.9	15.7	14.1	15.2	52
TOTAL OPERATING EXPENSES	79.8	99.5	90.8	75.3	84.9	53
OPERATING INCOME	20.2	0.4	9.1	25.3	15.7	54
INTEREST EXPENSE						
PRETAX COVERAGE	7.5	2.7	2.0	4.0	1.9	55
NET INCOME - % OF OPERATING REVENUES	30.0	11.5	7.1	22.6	11.9	56
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE FOR COMMON	-	-	-	-	-	57
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	56.7	26.8	21.5	129.2	559.9	58

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

SHOREWOOD WATER CORP

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 192,935	$ 63,677	$ 39,948	$ 129,670	$ 54,462
	NON CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	84,243	73,110	63,818	58,301	51,799
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	-	-	-	-	-
4	INTEREST CAPITALIZED	7,663-	-	-	-	-
5	OTHER (NET)	5,616	1,048	-	8,165	4,289
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	275,131	137,836	103,766	196,138	110,552
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	19,837	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	294,968	137,836	103,766	196,138	110,552
10	LESS DIVIDENDS PREFERRED	-	-	-	-	-
11	COMMON	-	-	-	-	-
12	NET FUNDS FROM INTERNAL SOURCES	294,968	137,836	103,766	196,138	110,552
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	-	-	23,133	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	-	651,925	271,178	269,136	340,619
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	-	651,926	271,178	292,270	340,619
20	OTHER SOURCES (NET)	762,331	47,172	101,382	-	29,108
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,057,299	$ 836,935	$ 476,327	$ 488,408	$ 480,280
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 821,131	$ 836,935	$ 375,097	$ 357,141	$ 444,280
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	821,131	836,935	375,097	357,141	444,280
28	LESS INTEREST CAPITALIZED	7,663	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	813,468	836,935	375,097	357,141	444,280
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	48,281	-	96,976	-	36,000
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	-
34	OTHER (NET)	-	-	-	-	-
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	48,281	-	96,976	-	36,000
37	OTHER USES (NET)	195,550	-	4,254	131,266	-
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,057,299	$ 836,935	$ 476,327	$ 488,408	$ 480,280

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

SHOREWOOD WATER CORP

ITEM	1986	1985	1984	1983	1982	LINE NO
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 611,493	$ 486,529	$ 483,078	$ 495,133	$ 384,371	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	92,820	64,438	74,692	72,902	68,761	4
TOTAL REVENUES FROM SALES OF WATER	704,314	551,029	557,772	568,037	453,134	5
OTHER WATER OPERATING REVENUES	4,025	2,623	2,100	3,486	2,562	6
TOTAL WATER OPERATING REVENUES	$ 708,339	$ 553,652	$ 559,872	$ 571,523	$ 455,696	7
WATER SALES (T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	553,196	438,470	490,914	470,484	326,463	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	56,929	61,126	58,491	68,760	53,250	11
TOTAL SALES OF WATER	610,125	499,596	549,405	539,244	379,713	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	4,197	4,100	3,827	3,699	3,568	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	76	60	60	329	328	16
TOTAL CUSTOMERS	4,273	4,160	3,887	4,028	3,896	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 145.69	$ 118.68	$ 126.22	$ 133.85	$ 107.72	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	131.80	106.94	128.27	127.19	91.49	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	110.54	110.97	98.40	105.24	117.74	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T GALLONS SOLD (CENTS)	-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 157	$ 23	-	-	-	24
POWER AND PUMPING EXPENSES	92,387	115,163	103,452	91,193	66,067	25
PURIFICATION EXPENSES	6,701	7,500	9,132	7,957	2,559	26
TRANSMISSION AND DISTRIBUTION EXPENSES	45,523	59,497	47,149	39,572	45,421	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	16,516	16,779	14,035	9,280	10,817	28
ADMINISTRATIVE+GENERAL EXPENSES	230,171	190,687	180,553	141,381	140,968	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 391,456	$ 389,649	$ 354,322	$ 291,383	$ 265,832	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 5,597,944	$ 4,833,740	$ 3,987,396	$ 3,612,525	$ 3,256,955	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	59,850	2,923	-	-	-	33
PLANT HELD FOR FUTURE USE	-	-	12,332	12,106	10,534	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	5,657,795	4,836,664	3,999,728	3,624,631	3,267,490	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION	783,781	699,538	626,427	562,608	504,306	39
NET WATER UTILITY PLANT	$ 4,874,013	$ 4,137,126	$ 3,373,301	$ 3,062,023	$ 2,763,183	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 4,833,740	$ 3,987,396	$ 3,612,525	$ 3,256,955	$ 2,778,570	41
ADDITIONS	1,417,915	846,343	374,871	355,570	478,430	42
RETIREMENTS	648,973	-	-	-	45	43
TRANSFERS AND ADJUSTMENTS	4,737-	-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 5,597,944	$ 4,833,740	$ 3,987,396	$ 3,612,525	$ 3,256,955	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

SHOREWOOD WATER CORP

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 708,339	$ 553,652	$ 559,872	$ 571,523	$ 455,696
2	SALES (THOUSAND GALLONS)	610,125	499,596	549,405	539,244	379,713
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 74,500	$ 93,515	$ 89,875	$ 79,057	$ 57,343
4	WAGES AND BENEFITS	17,980	197,079	126,232	8,831	9,972
5	OTHER OPERATION AND MAINTENANCE EXPENSES	298,555	99,055	138,215	199,870	195,458
6	DEPRECIATION AND AMORTIZATION EXPENSES	84,243	73,110	63,818	58,301	51,799
7	INCOME TAXES - OPERATING	-	-	2,160	-	-
8	OTHER TAXES - OPERATING	89,825	88,129	88,284	80,745	69,553
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	28,945	35,784	43,848	43,830	58,739
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	114,290	33,022-	7,438	100,887	12,831
12	TOTAL	$ 708,339	$ 553,652	$ 559,872	$ 571,523	$ 455,696
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	10.5	16.9	16.1	13.8	12.6
14	WAGES AND BENEFITS	2.5	35.6	22.5	1.5	2.2
15	OTHER OPERATION AND MAINTENANCE EXPENSES	42.1	17.9	24.7	35.0	42.9
16	DEPRECIATION AND AMORTIZATION EXPENSES	11.9	13.2	11.4	10.2	11.4
17	INCOME TAXES - OPERATING	-	-	0.4	-	-
18	OTHER TAXES - OPERATING	12.7	15.9	15.8	14.1	15.3
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.1	6.5	7.8	7.7	12.9
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	16.1	5.9-	1.3	17.7	2.8
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	12.21	18.72	16.36	14.66	15.10
24	WAGES AND BENEFITS	2.95	39.45	22.98	1.64	2.63
25	OTHER OPERATION AND MAINTENANCE EXPENSES	48.93	19.83	25.16	37.06	51.48
26	DEPRECIATION AND AMORTIZATION EXPENSES	13.81	14.63	11.62	10.81	13.64
27	INCOME TAXES - OPERATING	-	-	0.39	-	-
28	OTHER TAXES - OPERATING	14.72	17.64	16.07	14.97	18.32
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	4.74	7.16	7.98	8.13	15.47
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	18.73	6.60-	1.35	18.71	3.38
32	TOTAL	116.10	110.82	101.91	105.99	120.01

WATER

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

SPRING VALLEY WATER COMPANY, INCORPORATED

LINE NO.	ITEM	1986	1985	1984	1983	1982
	ASSETS AND OTHER DEBITS					
1	WATER PLANT	$ 100,685,713	$ 95,256,425	$ 91,768,225	$ 85,649,192	$ 81,686,334
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	18,257,860	17,047,688	15,550,491	14,422,045	13,292,280
3	NET WATER PLANT	82,427,853	79,208,737	76,217,734	71,227,147	68,394,054
4	OTHER PHYSICAL PROPERTY	662	662	662	662	662
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	662	662	662	662	662
8	CASH AND WORKING FUNDS	634,851	790,434	593,881	343,416	314,085
9	SPECIAL DEPOSITS	2,015	2,015	2,015	1,640	1,640
10	TEMPORARY CASH INVESTMENTS	500,000	-	400,000	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM PROVISION FOR UNCOLLECTIBLE ACCOUNTS	2,993,620	3,095,910	3,470,874	3,108,302	2,264,360
12	RECEIVABLES FROM ASSOCIATED COMPANIES	158,945	254,158	102,961	73,731	91,675
13	MATERIALS AND SUPPLIES	814,969	1,024,303	756,607	556,088	483,643
14	PREPAYMENTS	1,936,026	1,837,975	1,752,782	1,833,224	1,599,694
15	OTHER CURRENT AND ACCRUED ASSETS	6,761	4,410	-	-	1,886
16	TOTAL CURRENT AND ACCRUED ASSETS	7,047,197	7,009,205	7,079,120	5,916,401	4,756,983
17	UNAMORTIZED DEBT EXPENSE	996,738	1,065,363	1,264,010	1,255,992	1,238,051
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	4,558	40,667	13,203	24,806	10,324
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	433,628	470,591	590,549	907,323	1,107,940
23	TOTAL DEFERRED DEBITS	1,434,924	1,576,621	1,867,762	2,188,121	2,356,315
24	TOTAL ASSETS AND OTHER DEBITS	$ 90,910,636	$ 87,795,225	$ 85,165,278	$ 79,332,331	$ 75,508,014
	LIABILITIES AND OTHER CREDITS					
25	COMMON CAPITAL STOCK	$ 13,856,490	$ 13,856,490	$ 13,856,490	$ 13,856,490	$ 12,900,870
26	PREFERRED CAPITAL STOCK	5,256,000	5,893,600	6,312,400	6,531,200	6,750,000
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	286,958	286,958	286,958	286,958	286,958
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	259,124	259,124	259,124	259,124	198,827
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	17,448,526	15,545,947	13,878,808	11,904,402	11,108,934
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	37,107,098	35,842,119	34,593,780	32,838,174	31,245,589
36	BONDS (LESS BONDS REACQUIRED)	17,000,000	19,300,000	19,600,000	19,900,000	20,200,000
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	19,040,000	19,480,000	17,120,000	12,260,000	9,700,207
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	36,040,000	38,780,000	36,720,000	32,160,000	29,900,207
41	NOTES AND ACCOUNTS PAYABLE	1,453,192	1,211,938	1,527,820	1,238,534	895,230
42	PAYABLES TO ASSOCIATED COMPANIES	5,309,573	90,469	4,149,801	6,853,497	7,578,914
43	CUSTOMERS' DEPOSITS	163,265	193,455	189,532	180,855	171,913
44	TAXES ACCRUED	360,692	3,104,641	436,582	110,254	184,597
45	OTHER CURRENT AND ACCRUED LIABILITIES	860,449	835,451	945,129	609,785	634,752
46	TOTAL CURRENT AND ACCRUED LIABILITIES	8,147,171	5,435,954	7,248,864	8,992,925	9,465,406
47	CUSTOMER ADVANCES FOR CONSTRUCTION	5,185,871	3,506,444	2,890,914	2,319,100	2,050,268
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	1,337,600	1,364,600	1,009,000	352,000	165,000
49	OTHER DEFERRED CREDITS	489,516	684,528	879,540	1,074,552	1,269,564
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	238,914	247,914	256,914	265,914	274,914
51	LIBERALIZED DEPRECIATION	2,554,966	2,059,966	1,695,966	1,315,966	1,023,966
52	OTHER	190,500-	126,300-	129,700-	13,700	113,100
53	TOTAL DEFERRED CREDITS	9,616,367	7,737,152	6,602,634	5,341,232	4,896,812
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 90,910,636	$ 87,795,225	$ 85,165,278	$ 79,332,331	$ 75,508,014
	SELECTED BALANCE SHEET RELATIONSHIPS					
56	CURRENT ASSETS / CURRENT LIABILITIES	0.86	1.29	0.98	0.66	0.50
	PERCENT OF CAPITALIZATION					
57	LONG TERM DEBT	49.2	51.9	51.4	49.4	48.8
58	PREFERRED STOCK	7.1	7.8	8.8	10.0	11.0
59	COMMON STOCK + OTHER PAID-IN CAPITAL	19.6	19.3	20.1	22.1	21.8
60	RETAINED EARNINGS	23.8	20.8	19.4	18.3	18.1
	LONG-TERM DEBT					
61	PERCENT OF GROSS WATER PLANT	35.7	40.2	40.0	37.5	36.6
62	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	18.1	17.7	16.9	16.8	16.2

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

SPRING VALLEY WATER COMPANY, INCORPORATED

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM	1986	1985	1984	1983	1982	LINE NO
WATER OPERATING INCOME						
OPERATING REVENUES	$ 30,244,321	$ 29,094,904	$ 28,608,257	$ 25,252,608	$ 24,103,337	1
OPERATION AND MAINTENANCE EXPENSES	9,875,021	9,202,727	9,619,268	8,902,934	8,772,538	2
DEPRECIATION	1,544,091	1,453,862	1,151,851	1,101,154	1,071,558	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	6,804,329	6,913,069	7,157,331	6,591,578	5,474,051	5
INCOME TAXES	3,872,800	3,450,000	3,127,600	2,225,600	2,340,500	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	22,096,241	21,019,658	21,056,050	18,821,266	17,658,647	9
NET OPERATING REVENUES	8,148,080	8,075,246	7,552,207	6,431,342	6,444,690	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	8,148,080	8,075,246	7,552,207	6,431,342	6,444,690	12
OTHER INCOME						
INCOME FROM MDSE. JOBBING+CONTRACT WORK	-	-	-	-	-	13
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	14
NONOPERATING RENTAL INCOME	-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME	41,718	85,632	35,433	54,866	79,929	16
ALLOWANCE FOR CONSTRUCTION FUNDS	472,200	430,340	693,938	307,082	217,779	17
MISCELLANEOUS NONOPERATING INCOME	19,501	19,501	22,775	34,391	19,501	18
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	19
TOTAL OTHER INCOME	533,419	535,473	752,146	396,339	317,209	20
TOTAL INCOME	8,681,499	8,610,719	8,304,353	6,827,681	6,761,899	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS	28,029	12,623	9,705	10,565	10,585	24
TAXES OTHER THAN INC TAXES-NONOPERATING	8,393	8,982	8,440	8,292	7,681	25
INCOME TAXES-NONOPERATING	-	-	-	-	-	26
TOTAL OTHER INCOME DEDUCTIONS	36,422	21,605	18,145	18,857	18,266	27
INCOME BEFORE INTEREST CHARGES	8,645,077	8,589,114	8,286,208	6,808,824	6,743,633	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	2,935,107	2,921,463	2,457,334	2,108,869	2,031,369	29
AMORT OF DEBT DISCOUNT EXPENSE	68,625	69,122	71,341	71,790	20,991	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	95,294	224,017	605,520	763,199	354,186	32
OTHER INTEREST CHARGES	17,660	22,260	21,373	22,824	661,335	33
TOTAL INTEREST CHARGES	3,116,686	3,236,862	3,155,568	2,966,682	3,067,881	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS	-	-	-	-	-	37
NET EXTRAORDINARY ITEMS	-	-	-	-	-	38
NET INCOME	$ 5,528,391	$ 5,352,252	$ 5,130,640	$ 3,842,142	$ 3,675,752	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 15,545,947	$ 13,878,808	$ 11,904,402	$ 11,108,934	$ 10,281,418	40
BALANCE TRANSFERRED FROM INCOME	5,528,391	5,352,252	5,130,640	3,842,142	3,675,752	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK	579,295	639,552	687,868	724,517	730,625	43
-COMMON STOCK	3,046,517	3,045,561	2,468,366	2,322,157	2,092,807	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	24,804-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	17,448,526	15,545,947	13,878,808	11,904,402	11,108,934	46
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 17,448,526	$ 15,545,947	$ 13,878,808	$ 11,904,402	$ 11,108,934	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1986	1985	1984	1983	1982	LINE NO
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	32.6	31.6	33.6	35.2	36.3	49
DEPRECIATION AND AMORTIZATION	5.1	4.9	4.0	4.3	4.4	50
INCOME TAXES	12.8	11.8	10.9	8.8	9.7	51
OTHER TAXES	22.4	23.7	25.0	26.1	22.7	52
TOTAL OPERATING EXPENSES	73.0	72.2	73.6	74.5	73.2	53
OPERATING INCOME	26.9	27.7	26.3	25.4	26.7	54
INTEREST EXPENSE						
PRETAX COVERAGE	4.0	3.7	3.6	3.0	3.0	55
NET INCOME - % OF OPERATING REVENUES	18.2	18.3	17.9	15.2	15.2	56
DIVIDEND APPROPRIATIONS, COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE FOR COMMON	61.5	64.6	55.5	74.4	71.0	57
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	16.0	16.1	16.2	12.2	12.2	58

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

SPRING VALLEY WATER COMPANY, INCORPORATED

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 5,528,391	$ 5,352,252	$ 5,130,640	$ 3,842,142	$ 3,675,752
	NON CASH CHARGES(CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	1,612,715	1,522,984	1,223,192	1,172,944	1,092,549
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	394,800	714,000	884,600	370,600	525,500
4	INTEREST CAPITALIZED	472,200-	430,340-	693,938-	307,082-	217,779-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	7,063,706	7,158,896	6,544,494	5,078,604	5,076,022
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	7,063,706	7,158,896	6,544,494	5,078,604	5,076,022
10	LESS DIVIDENDS PREFERRED	579,295	639,552	687,868	724,517	730,625
11	COMMON	3,046,517	3,045,561	2,468,366	2,322,157	2,092,807
12	NET FUNDS FROM INTERNAL SOURCES	3,437,894	3,473,783	3,388,260	2,031,930	2,252,590
	EXTERNAL SOURCES					
13	LONG TERM DEBT	-	2,800,000	5,300,000	-	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	1,015,917	19,726
16	NET INCREASE IN SHORT TERM DEBT	-	-	-	-	-
17	OTHER (NET)	4,879,427	-	-	2,999,793	8,300,207
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	4,879,427	2,800,000	5,300,000	4,015,710	8,319,933
20	OTHER SOURCES (NET)	-	2,922,708	709,918	261,345	211,082
21						
22						
23	TOTAL FUNDS PROVIDED	$ 8,317,321	$ 9,196,491	$ 9,398,178	$ 6,308,985	$ 10,783,605
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 4,849,288	$ 4,568,031	$ 6,218,518	$ 4,007,426	$ 2,245,938
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	-	-	-	-	-
27	TOTAL GROSS ADDITIONS	4,849,288	4,568,031	6,218,518	4,007,426	2,245,938
28	LESS INTEREST CAPITALIZED	472,200	430,340	693,938	307,082	217,779
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	4,377,088	4,137,691	5,524,580	3,700,344	2,028,159
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	2,740,000	740,000	740,000	740,000	1,240,000
31	PREFERRED STOCK	637,600	418,800	218,800	218,800	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	-	-	-	-	6,500,000
34	OTHER (NET)	-	3,900,000	2,808,018	717,941	1,015,446
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	3,377,600	5,058,800	3,766,818	1,676,741	8,755,446
37	OTHER USES (NET)	562,633	-	106,780	931,900	-
38						
39						
40	TOTAL FUNDS APPLIED	$ 8,317,321	$ 9,196,491	$ 9,398,178	$ 6,308,985	$ 10,783,605

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

SPRING VALLEY WATER COMPANY, INCORPORATED

WATER OPERATING REVENUES

ITEM	1986	1985	1984	1983	1982	LINE NO
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 25,955,633	$ 24,609,170	$ 24,916,218	$ 21,877,472	$ 20,682,426	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	30,625	23,053	28,870	29,473	24,530	3
OTHER SALES OF WATER	4,130,927	4,334,868	3,585,675	3,293,042	3,392,433	4
TOTAL REVENUES FROM SALES OF WATER	30,117,185	28,967,091	28,530,763	25,199,987	24,099,389	5
OTHER WATER OPERATING REVENUES	127,136	127,813	77,494	52,621	3,948	6
TOTAL WATER OPERATING REVENUES	$ 30,244,321	$ 29,094,904	$ 28,608,257	$ 25,252,608	$ 24,103,337	7
WATER SALES (T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	7,571,262	7,103,901	7,483,287	7,283,837	6,983,676	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	17,300	12,520	16,304	19,020	15,647	10
OTHER SALES OF WATER	44,555	28,352	39,339	35,651	34,932	11
TOTAL SALES OF WATER	7,633,117	7,144,773	7,538,930	7,338,508	7,034,255	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	53,237	52,448	51,150	50,269	49,490	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	1	1	1	1	1	15
OTHER SALES OF WATER	523	492	467	461	440	16
TOTAL CUSTOMERS	53,761	52,941	51,618	50,731	49,931	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 487.54	$ 469.21	$ 487.12	$ 435.20	$ 417.91	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	142.21	135.44	146.30	144.89	141.11	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	342.82	346.42	332.96	300.36	296.15	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL)	-	-	-	-	-	22
AVG. REVENUE PER T GALLONS SOLD (CENTS)	-	-	-	-	-	23

WATER OPERATION AND MAINTENANCE EXPENSES

ITEM	1986	1985	1984	1983	1982	LINE NO
SOURCE OF SUPPLY EXPENSES	$ 260,828	$ 247,642	$ 278,375	$ 271,487	$ 191,532	24
POWER AND PUMPING EXPENSES	2,435,398	2,722,049	2,891,558	2,843,976	2,767,806	25
PURIFICATION EXPENSES	662,120	497,350	553,842	529,701	507,713	26
TRANSMISSION AND DISTRIBUTION EXPENSES	1,982,317	1,683,320	1,819,018	1,828,266	1,743,609	27
CUSTOMERS ACCT G+COLLECTING EXPENSES	1,347,489	1,306,914	708,454	748,392	795,769	28
ADMINISTRATIVE+GENERAL EXPENSES	3,186,869	2,745,452	3,368,021	2,681,112	2,766,109	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 9,875,021	$ 9,202,727	$ 9,619,268	$ 8,902,934	$ 8,772,538	30

WATER UTILITY PLANT

ITEM	1986	1985	1984	1983	1982	LINE NO
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 94,103,231	$ 91,294,083	$ 87,326,465	$ 79,944,590	$ 77,886,498	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	6,164,829	4,544,689	3,842,567	5,105,409	3,200,643	33
PLANT HELD FOR FUTURE USE	104,951	104,951	104,951	104,951	104,951	34
PLANT ACQUISITION ADJUSTMENTS	550,214	550,214	550,214	550,214	550,214	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	237,512-	237,512-	55,972-	55,972-	55,972-	37
TOTAL WATER UTILITY PLANT	100,685,713	96,256,425	91,768,225	85,649,192	81,686,334	38
ACCUM PROV FOR DEPR., AMORT., DEPLETION	18,257,860	17,047,688	15,550,491	14,422,045	13,292,280	39
NET WATER UTILITY PLANT	$ 82,427,853	$ 79,208,737	$ 76,217,734	$ 71,227,147	$ 68,394,054	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 91,294,083	$ 87,326,465	$ 79,944,590	$ 77,886,498	$ 76,184,718	41
ADDITIONS	3,267,652	4,150,476	7,661,041	2,131,467	1,857,144	42
RETIREMENTS	420,129	79,831	99,485	44,568	92,439	43
TRANSFERS AND ADJUSTMENTS	38,375-	103,027-	179,681-	28,807-	62,925-	44
PLANT IN SERVICE END OF YEAR	$ 94,103,231	$ 91,294,083	$ 87,326,465	$ 79,944,590	$ 77,886,498	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

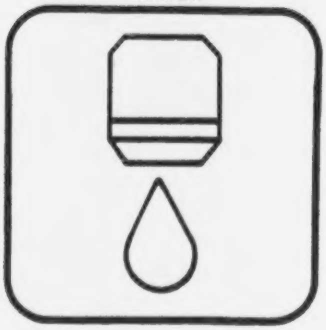
DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

SPRING VALLEY WATER COMPANY, INCORPORATED

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 30,244,321	$ 29,094,904	$ 28,608,257	$ 25,252,608	$ 24,103,337
2	SALES (THOUSAND GALLONS)	7,633,117	7,144,773	7,538,930	7,338,508	7,034,255
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 1,832,625	$ 2,158,526	$ 2,479,271	$ 2,447,408	$ 2,393,276
4	WAGES AND BENEFITS	3,110,587	2,986,564	2,757,011	2,724,264	393,588
5	OTHER OPERATION AND MAINTENANCE EXPENSES	4,931,809	4,057,637	4,382,986	3,731,262	5,985,674
6	DEPRECIATION AND AMORTIZATION EXPENSES	1,544,091	1,453,862	1,151,851	1,101,154	1,071,558
7	INCOME TAXES - OPERATING	3,872,800	3,450,000	3,127,600	2,225,600	2,340,500
8	OTHER TAXES - OPERATING	6,804,329	6,913,069	7,157,331	6,591,578	5,474,051
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	2,871,614	3,017,689	2,807,906	2,829,109	2,985,996
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	555,495	614,423	641,467	692,480	701,225
11	EARNINGS AVAILABLE FOR COMMON EQUITY	4,720,971	4,443,134	4,102,835	2,909,753	2,757,469
12	TOTAL	$ 30,244,321	$ 29,094,904	$ 28,608,257	$ 25,252,608	$ 24,103,337
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	6.1	7.4	8.7	9.7	9.9
14	WAGES AND BENEFITS	10.3	10.3	9.6	10.8	1.6
15	OTHER OPERATION AND MAINTENANCE EXPENSES	16.3	13.9	15.3	14.8	24.8
16	DEPRECIATION AND AMORTIZATION EXPENSES	5.1	5.0	4.0	4.4	4.4
17	INCOME TAXES - OPERATING	12.8	11.9	10.9	8.8	9.7
18	OTHER TAXES - OPERATING	22.5	23.8	25.0	26.1	22.7
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	9.5	10.4	9.8	11.2	12.4
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	1.8	2.1	2.2	2.7	2.9
21	EARNINGS AVAILABLE FOR COMMON EQUITY	15.6	15.3	14.3	11.5	11.4
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	24.01	30.21	32.89	33.35	34.02
24	WAGES AND BENEFITS	40.75	41.80	36.57	37.12	5.60
25	OTHER OPERATION AND MAINTENANCE EXPENSES	64.61	56.79	58.14	50.84	85.09
26	DEPRECIATION AND AMORTIZATION EXPENSES	20.23	20.35	15.28	15.01	15.23
27	INCOME TAXES - OPERATING	50.74	48.29	41.49	30.33	33.27
28	OTHER TAXES - OPERATING	89.14	96.76	94.94	89.82	77.82
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	37.62	42.24	37.25	38.55	42.45
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	7.28	8.60	8.51	9.44	9.97
31	EARNINGS AVAILABLE FOR COMMON EQUITY	61.85	62.19	54.42	39.65	39.20
32	TOTAL	396.23	407.22	379.47	344.11	342.66

WATER



MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE BALANCE SHEET STATEMENTS, YEARS ENDED DECEMBER 31
SELECTED BALANCE SHEET RELATIONSHIPS

WANAKAH WATER COMPANY

ASSETS AND OTHER DEBITS

LINE NO	ITEM	1986	1985	1984	1983	1982
1	WATER PLANT	$ 2,619,341	$ 2,546,037	$ 2,428,406	$ 2,326,592	$ 2,250,349
2	ACCUMULATED PROVISION FOR DEPRE+AMORT	701,952	689,595	656,815	629,923	618,548
3	NET WATER PLANT	1,917,389	1,856,442	1,771,591	1,696,669	1,631,801
4	OTHER PHYSICAL PROPERTY	-	-	-	-	-
5	INVESTMENTS IN ASSOCIATED COMPANIES	-	-	-	-	-
6	OTHER INVESTMENTS AND FUNDS	-	-	-	-	-
7	TOTAL INVESTMENT AND FUND ACCOUNTS	-	-	-	-	-
8	CASH AND WORKING FUNDS	6,582	3,238	11,528	12,424	22,122
9	SPECIAL DEPOSITS	-	-	-	-	-
10	TEMPORARY CASH INVESTMENTS	-	-	-	-	-
11	NOTES AND ACCTS RECEIVABLE LESS ACCUM. PROVISION FOR UNCOLLECTIBLE ACCOUNTS	120,699	128,895	117,724	103,308	92,032
12	RECEIVABLES FROM ASSOCIATED COMPANIES	-	-	-	-	1,446
13	MATERIALS AND SUPPLIES	18,403	21,181	16,095	17,703	19,771
14	PREPAYMENTS	56,779	51,897	43,104	41,215	37,337
15	OTHER CURRENT AND ACCRUED ASSETS	114,900	104,512	104,512	96,998	81,608
16	TOTAL CURRENT AND ACCRUED ASSETS	317,363	309,723	292,963	271,648	254,316
17	UNAMORTIZED DEBT EXPENSE	24,743	25,485	31,016	36,575	11,227
18	EXTRAORDINARY PROPERTY LOSSES	-	-	-	-	-
19	PRELIM SURVEY + INVESTIGATION CHARGES	-	-	-	-	-
20	CLEARING ACCOUNTS	-	-	-	-	-
21	ACCUMULATED DEFERRED INCOME TAXES	-	-	-	-	-
22	OTHER DEFERRED DEBITS	93,412	47,834	63,390	83,469	44,368
23	TOTAL DEFERRED DEBITS	118,155	73,319	94,406	120,044	55,595
24	TOTAL ASSETS AND OTHER DEBITS	$ 2,352,907	$ 2,239,484	$ 2,158,960	$ 2,088,361	$ 1,941,712

LIABILITIES AND OTHER CREDITS

LINE NO	ITEM	1986	1985	1984	1983	1982
25	COMMON CAPITAL STOCK	$ 215,150	$ 215,150	$ 215,150	$ 215,150	$ 215,150
26	PREFERRED CAPITAL STOCK	-	-	-	-	-
27	STOCK LIABILITY FOR CONVERSION	-	-	-	-	-
28	PREMIUM ON CAPITAL STOCK	22,870	22,870	22,870	22,870	22,870
29	CAPITAL STOCK SUBSCRIBED	-	-	-	-	-
30	INSTALLMENTS RECEIVED ON CAPITAL STOCK	-	-	-	-	-
31	OTHER PAID-IN CAPITAL	100,000	100,000	100,000	100,000	100,000
32	CAPITAL STOCK EXPENSE	-	-	-	-	-
33	RETAINED EARNINGS	388,344	388,190	388,180	416,822	400,972
34	REACQUIRED CAPITAL STOCK	-	-	-	-	-
35	TOTAL PROPRIETARY CAPITAL	726,364	726,210	726,200	754,842	738,992
36	BONDS (LESS BONDS REACQUIRED)	1,325,875	1,010,000	1,015,000	1,020,000	779,000
37	ADVANCES FROM ASSOCIATED COMPANIES	-	-	-	-	-
38	OTHER LONG TERM DEBT	29,469	37,277	44,530	51,270	57,532
39	NET UNAMORTIZED DEBT PREMIUM + DISCOUNT	-	-	-	-	-
40	TOTAL LONG TERM DEBT	1,355,344	1,047,277	1,059,530	1,071,270	836,532
41	NOTES AND ACCOUNTS PAYABLE	20,089	245,835	113,728	66,996	223,492
42	PAYABLES TO ASSOCIATED COMPANIES	44,207	38,605	80,969	40,880	6,446
43	CUSTOMERS' DEPOSITS	3,950	2,875	3,150	3,775	4,675
44	TAXES ACCRUED	12,569-	13,408-	6,211-	11,379-	6,583-
45	OTHER CURRENT AND ACCRUED LIABILITIES	25,971	38,609	36,944	26,015	40,673
46	TOTAL CURRENT AND ACCRUED LIABILITIES	81,648	312,516	228,580	126,287	268,703
47	CUSTOMER ADVANCES FOR CONSTRUCTION	3,535	618	-	-	-
48	ACCUM. DEFERRED INVESTMENT TAX CREDITS	91,628	92,598	89,130	83,101	76,595
49	OTHER DEFERRED CREDITS	-	-	-	-	-
	ACCUMULATED DEFERRED INCOME TAXES					
50	ACCELERATED AMORIZATION	-	-	-	-	-
51	LIBERALIZED DEPRECIATION	-	-	-	-	-
52	OTHER	94,388	60,265	55,520	52,861	20,890
53	TOTAL DEFERRED CREDITS	189,551	153,481	144,650	135,962	97,485
54	OPERATING RESERVES	-	-	-	-	-
55	TOTAL LIABILITIES AND OTHER CREDITS	$ 2,352,907	$ 2,239,484	$ 2,158,960	$ 2,088,361	$ 1,941,712

SELECTED BALANCE SHEET RELATIONSHIPS

LINE NO	ITEM	1986	1985	1984	1983	1982
56	CURRENT ASSETS / CURRENT LIABILITIES	3.89	0.99	1.28	2.15	0.95
	PERCENT OF CAPITALIZATION					
57	LONG TERM DEBT	65.1	59.0	59.3	58.6	53.0
58	PREFERRED STOCK	-	-	-	-	-
59	COMMON STOCK + OTHER PAID-IN CAPITAL	16.2	19.0	18.9	18.5	21.4
60	RETAINED EARNINGS	18.6	21.8	21.7	22.8	25.4
	LONG-TERM DEBT					
61	PERCENT OF GROSS WATER PLANT	51.7	41.1	43.6	46.0	37.1
62	ACCUMULATED PROVISION FOR DEPRE.+AMORT PERCENT OF WATER PLANT	26.7	27.0	27.0	27.0	27.4

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENTS, YEARS ENDING DECEMBER 31
SELECTED INCOME ACCOUNT RELATIONSHIPS

WANAKAH WATER COMPANY

COMPARATIVE INCOME AND RETAINED EARNINGS STATEMENT

ITEM	1986	1985	1984	1983	1982	LINE NO
WATER OPERATING INCOME						
OPERATING REVENUES	$ 1,112,177	$ 1,100,980	$ 1,037,186	$ 953,317	$ 837,166	1
OPERATION AND MAINTENANCE EXPENSES	565,465	583,645	545,901	507,103	444,473	2
DEPRECIATION	40,928	39,661	38,024	37,571	37,258	3
AMORTIZATION	-	-	-	-	-	4
TAXES OTHER THAN INCOME TAXES	210,396	205,882	198,913	184,005	169,272	5
INCOME TAXES	54,934	43,978	38,327	41,748	14,705	6
GAINS FROM DISP. OF UTILITY PLANT						7
LOSSES FROM DISP. OF UTILITY PLANT						8
TOTAL OPERATING EXPENSES	871,723	873,166	821,165	770,427	665,708	9
NET OPERATING REVENUES	240,454	227,814	216,021	182,890	171,458	10
INCOME FROM PLANT LEASED TO OTHERS	-	-	-	-	-	11
TOTAL WATER OPERATING INCOME	240,454	227,814	216,021	182,890	171,458	12
OTHER INCOME						
INCOME FROM MDSE. JOBBING+CONTRACT WORK	-	-	-	-	-	13
INCOME FROM NONUTILITY OPERATIONS	-	-	-	-	-	14
NONOPERATING RENTAL INCOME	-	-	-	-	-	15
INTEREST AND DIVIDEND INCOME	-	-	62	215	735	16
ALLOWANCE FOR CONSTRUCTION FUNDS	-	-	-	-	-	17
MISCELLANEOUS NONOPERATING INCOME	502	1,057	663	4,535	194	18
GAIN ON DISPOSITION OF PROPERTY	-	-	-	-	-	19
TOTAL OTHER INCOME	502	1,057	725	4,750	929	20
TOTAL INCOME	240,956	228,871	216,746	187,640	172,387	21
OTHER INCOME DEDUCTIONS						
LOSS ON DISPOSITION OF PROPERTY	-	-	-	-	-	22
MISCELLANEOUS AMORTIZATION	-	-	-	-	-	23
MISCELLANEOUS DEDUCTIONS	-	479	1,065	725	982	24
TAXES OTHER THAN INC TAXES-NONOPERATING	-	-	-	-	-	25
INCOME TAXES-NONOPERATING	-	-	-	-	-	26
TOTAL OTHER INCOME DEDUCTIONS	-	479	1,065	725	982	27
INCOME BEFORE INTEREST CHARGES	240,956	228,392	215,681	186,915	171,405	28
INTEREST CHARGES						
INTEREST ON LONG-TERM DEBT	103,089	116,991	117,930	78,134	76,117	29
AMORT OF DEBT DISCOUNT EXPENSE	5,073	5,532	5,559	3,551	4,639	30
AMORT OF PREMIUM ON DEBT-CREDIT	-	-	-	-	-	31
INTEREST ON DEBT TO ASSOCIATED COMPANIES	-	-	-	-	-	32
OTHER INTEREST CHARGES	38,640	20,259	13,861	33,441	31,897	33
TOTAL INTEREST CHARGES	146,802	142,782	137,350	115,126	112,653	34
EXTRAORDINARY ITEMS						
EXTRAORDINARY INCOME	-	-	-	-	-	35
EXTRAORDINARY DEDUCTIONS	-	-	-	-	-	36
INCOME TAXES EXTRAORDINARY ITEMS	-	-	-	-	-	37
NET EXTRAORDINARY ITEMS	-	-	-	-	-	38
NET INCOME	$ 94,154	$ 85,610	$ 78,331	$ 71,789	$ 58,752	39
RETAINED EARNINGS						
UNAPPROPRIATED RETAINED EARNINGS BEG. OF YR	$ 388,190	$ 388,180	$ 416,822	$ 400,972	$ 383,315	40
BALANCE TRANSFERRED FROM INCOME	94,154	85,610	78,331	71,789	58,752	41
APPROPRIATIONS OF RETAINED EARNINGS	-	-	-	-	-	42
DIVIDENDS DECLARED-PREFERRED STOCK	-	-	-	-	-	43
-COMMON STOCK	94,000	85,600	106,973	55,939	41,095	44
ADJUSTMENTS TO RETAINED EARNINGS	-	-	-	-	-	45
UNAPPROPRIATED RETAINED EARNINGS END OF YR	388,344	388,190	388,180	416,822	400,972	46
APPROPRIATED RETAINED EARNINGS	-	-	-	-	-	47
TOTAL RETAINED EARNINGS, END OF YEAR	$ 388,344	$ 388,190	$ 388,180	$ 416,822	$ 400,972	48

SELECTED INCOME ACCOUNT RELATIONSHIPS

ITEM	1986	1985	1984	1983	1982	LINE NO
PERCENT OF WATER OPERATING REVENUES						
OPERATION AND MAINTENANCE EXPENSES	50.8	53.0	52.6	53.1	53.0	49
DEPRECIATION AND AMORTIZATION	3.6	3.6	3.6	3.9	4.4	50
INCOME TAXES	4.9	3.9	3.6	4.3	1.7	51
OTHER TAXES	18.9	18.6	19.1	19.3	20.2	52
TOTAL OPERATING EXPENSES	78.3	79.3	79.1	80.8	79.5	53
OPERATING INCOME	21.6	20.6	20.8	19.1	20.4	54
INTEREST EXPENSE						
PRETAX COVERAGE	2.0	1.9	1.8	2.0	1.7	55
NET INCOME - % OF OPERATING REVENUES	8.4	7.7	7.5	7.5	7.0	56
DIVIDEND APPROPRIATIONS,COMMON STOCK						
PERCENT OF EARNINGS AVAILABLE FOR COMMON	99.8	99.9	136.5	77.9	69.9	57
PERCENT OF AVERAGE COMMON EQUITY						
EARNINGS AVAILABLE FOR COMMON EQUITY	12.9	11.7	10.5	9.6	8.0	58

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

STATEMENT OF CHANGES IN FINANCIAL POSITION

YEARS ENDED DECEMBER 31

WANAKAH WATER COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
	FUNDS PROVIDED					
	INTERNAL SOURCES					
1	INCOME BEFORE EXTRAORDINARY ITEMS	$ 94,154	$ 85,610	$ 78,331	$ 71,789	$ 58,752
	NON CASH CHARGES (CREDITS) TO INCOME					
2	DEPRECIATION, DEPLETION AND AMORTIZATION	64,914	71,986	78,348	37,571	37,258
3	DEFERRED INCOME TAXES AND INVESTMENT TAX CREDITS (NET)	33,152	8,214	8,688	38,477	10,024
4	INTEREST CAPITALIZED	-	-	-	-	-
5	OTHER (NET)	-	-	-	-	-
6						
7	TOTAL FROM INTERNAL SOURCES BEFORE EXTRAORDINARY ITEMS	192,220	165,810	165,367	147,837	106,034
8	EXTRAORDINARY ITEMS NET OF INCOME TAXES	-	-	-	-	-
9	TOTAL FUNDS FROM INTERNAL SOURCES	192,220	165,810	165,367	147,837	106,034
10	LESS DIVIDENDS PREFERRED	-	-	-	-	-
11	COMMON	94,000	85,600	106,973	55,939	41,095
12	NET FUNDS FROM INTERNAL SOURCES	98,220	80,210	58,394	91,898	64,939
	EXTERNAL SOURCES					
13	LONG TERM DEBT	925,875	-	-	400,000	-
14	PREFERRED STOCK	-	-	-	-	-
15	COMMON STOCK	-	-	-	-	-
16	NET INCREASE IN SHORT TERM DEBT	-	109,550	70,000	-	65,000
17	OTHER (NET)	-	-	-	-	-
18						
19	TOTAL FUNDS FROM EXTERNAL SOURCES	925,875	109,550	70,000	400,000	65,000
20	OTHER SOURCES (NET)	2,299	1,618	10,978	-	-
21						
22						
23	TOTAL FUNDS PROVIDED	$ 1,026,394	$ 191,378	$ 139,372	$ 491,898	$ 129,939
	FUNDS APPLIED					
	CONSTRUCTION EXPENDITURES					
	GROSS ADDITIONS					
24	WATER PLANT	$ 90,225	$ 125,511	$ 112,946	$ 102,715	$ 84,682
25	NON-UTILITY PLANT	-	-	-	-	-
26	OTHER	12,424	-	-	-	-
27	TOTAL GROSS ADDITIONS	102,649	125,511	112,946	102,715	84,682
28	LESS INTEREST CAPITALIZED	-	-	-	-	-
29	TOTAL GROSS ADDITIONS EXCLUDING INTEREST CAPITALIZED	102,649	125,511	112,946	102,715	84,682
	RETIREMENT OF DEBT AND SECURITIES					
30	LONG TERM DEBT	610,000	5,000	5,000	154,000	17,816
31	PREFERRED STOCK	-	-	-	-	-
32	REDEMPTION OF CAPITAL STOCK	-	-	-	-	-
33	NET DECREASE IN SHORT TERM DEBT	209,000	-	-	180,000	-
34	OTHER (NET)	7,807	7,254	7,250	-	434
35						
36	TOTAL RETIREMENT OF DEBT AND SECURITIES	826,807	12,254	12,250	334,000	18,250
37	OTHER USES (NET)	96,938	53,613	14,176	55,183	27,007
38						
39						
40	TOTAL FUNDS APPLIED	$ 1,026,394	$ 191,378	$ 139,372	$ 491,898	$ 129,939

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

COMPARATIVE STATEMENTS OF REVENUES, OPERATION AND MAINTENANCE, AND UTILITY PLANT
YEARS ENDING DECEMBER 31

WANAKAH WATER COMPANY

ITEM	1986	1985	1984	1983	1982	LINE NO
WATER OPERATING REVENUES						
REVENUES						
METERED SALES TO GENERAL CUSTOMERS	$ 971.428	$ 964,118	$ 906.119	$ 339,683	$ 734.206	1
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	2
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	3
OTHER SALES OF WATER	129.958	125,484	122,706	105.412	94.879	4
TOTAL REVENUES FROM SALES OF WATER	1.101.386	1.089,602	1,028.826	945,095	829.085	5
OTHER WATER OPERATING REVENUES	10,791	11,378	8.351	8.222	8,081	6
TOTAL WATER OPERATING REVENUES	$ 1.112.177	$ 1.100.980	$ 1,037.186	$ 953.317	$ 837.166	7
WATER SALES (T GALLONS)						
METERED SALES TO GENERAL CUSTOMERS	281.256	259.635	264,379	271,217	266.086	8
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	9
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	10
OTHER SALES OF WATER	-	-	-	-	-	11
TOTAL SALES OF WATER	281.256	259.635	264.379	271.217	266.086	12
NUMBER OF CUSTOMERS (AVERAGE PER MONTH)						
METERED SALES TO GENERAL CUSTOMERS	3.535	3.509	3.502	3.502	3.471	13
UNMETERED SALES TO GENERAL CUSTOMERS	-	-	-	-	-	14
SALES TO OTHER WATER COMPANIES	-	-	-	-	-	15
OTHER SALES OF WATER	7	7	8	8	9	16
TOTAL CUSTOMERS	3.542	3.516	3.510	3.510	3.480	17
WATER OPERATING REVENUE RELATIONSHIPS						
METERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	$ 274.80	$ 274.75	$ 258.74	$ 239.77	$ 211.52	18
AVG. CONSUMPTION PER CUSTOMER (T. GAL.)	73.90	73.99	75.49	77.44	76.65	19
AVG. REVENUE PER T. GALLONS SOLD (CENTS)	371.83	371.34	342.73	309.60	275.93	20
UNMETERED GENERAL CUSTOMERS						
AVG. ANNUAL BILL PER CUSTOMER	-	-	-	-	-	21
AVG. CONSUMPTION PER CUSTOMER (T. GAL.)	-	-	-	-	-	22
AVG. REVENUE PER T GALLONS SOLD (CENTS)	-	-	-	-	-	23
WATER OPERATION AND MAINTENANCE EXPENSES						
SOURCE OF SUPPLY EXPENSES	$ 9.572	$ 7,432	$ 7.995	$ 6.346	$ 6.059	24
POWER AND PUMPING EXPENSES	73.209	68.396	72.680	73.947	71.768	25
PURIFICATION EXPENSES	65.792	72.205	64.789	61.875	58.718	26
TRANSMISSION AND DISTRIBUTION EXPENSES	143.919	135.126	104.921	90,311	84.979	27
CUSTOMERS ACCT'G+COLLECTING EXPENSES	44.193	46.186	39.639	39.552	33.288	28
ADMINISTRATIVE+GENERAL EXPENSES	228.780	254,300	255.877	235.072	189.660	29
TOTAL WATER OPERATION+MAINT. EXPENSES	$ 565.465	$ 583.645	$ 545,901	$ 507.103	$ 444.472	30
WATER UTILITY PLANT						
WATER UTILITY PLANT						
PLANT IN SERVICE	$ 2.551.885	$ 2.491,004	$ 2,410.574	$ 2.324.683	$ 2.248.907	31
PLANT LEASED TO OTHERS	-	-	-	-	-	32
CONSTRUCTION WORK IN PROGRESS	66.164	53,741	16.540	617	150	33
PLANT HELD FOR FUTURE USE	1.292	1.292	1.292	1.292	1,292	34
PLANT ACQUISITION ADJUSTMENTS	-	-	-	-	-	35
OTHER PLANT ADJUSTMENTS	-	-	-	-	-	36
ACCUM. GAINS & LOSSES FROM DISPOSITION OF UTILITY LAND + LAND RIGHTS	-	-	-	-	-	37
TOTAL WATER UTILITY PLANT	2.619,341	2.546.037	2.428.406	2.326.592	2.250.349	38
ACCUM PROV FOR DEPR. AMORT. + DEPLETION	701.952	689.595	656.815	629.923	618.548	39
NET WATER UTILITY PLANT	$ 1.917.389	$ 1.856.442	$ 1.771.591	$ 1.696.669	$ 1.631.801	40
PLANT IN SERVICE BEGINNING OF YEAR	$ 2.491.004	$ 2.410.574	$ 2.324.684	$ 2.248.907	$ 2.169.278	41
ADDITIONS	90.225	87.312	97.022	102.248	84.998	42
RETIREMENTS	29.033	6.882	11.132	26.471	5.369	43
TRANSFERS AND ADJUSTMENTS	310-	-	-	-	-	44
PLANT IN SERVICE END OF YEAR	$ 2.551.886	$ 2.491.004	$ 2.410.574	$ 2.324.684	$ 2.248.907	45

MAJOR WATER COMPANIES OPERATING IN THE STATE OF NEW YORK

DISTRIBUTION OF WATER REVENUES

YEARS ENDED DECEMBER 31

WANAKAH WATER COMPANY

LINE NO	ITEM	1986	1985	1984	1983	1982
1	REVENUES	$ 1,112,177	$ 1,100,980	$ 1,037,186	$ 953,317	$ 837,166
2	SALES (THOUSAND GALLONS)	261,256	259,635	264,379	271,217	266,086
				DOLLAR AMOUNTS		
3	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	$ 65,532	$ 56,458	$ 57,173	$ 51,594	$ 57,240
4	WAGES AND BENEFITS	246,497	254,504	251,748	241,018	217,582
5	OTHER OPERATION AND MAINTENANCE EXPENSES	253,436	272,683	236,980	214,491	169,650
6	DEPRECIATION AND AMORTIZATION EXPENSES	40,928	39,661	38,024	37,571	37,258
7	INCOME TAXES - OPERATING	54,934	43,978	38,327	41,748	14,705
8	OTHER TAXES - OPERATING	210,396	205,882	198,913	184,005	169,272
9	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	146,802	142,782	137,380	115,126	112,653
10	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
11	EARNINGS AVAILABLE FOR COMMON EQUITY	93,652	85,032	78,671	67,764	58,805
12	TOTAL	$ 1,112,177	$ 1,100,980	$ 1,037,186	$ 953,317	$ 837,166
				PERCENT OF REVENUES		
13	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING, AND CHEMICAL FOR TREATMENT	5.9	5.1	5.5	5.4	6.8
14	WAGES AND BENEFITS	22.2	23.1	24.3	25.3	26.0
15	OTHER OPERATION AND MAINTENANCE EXPENSES	22.8	24.8	22.8	22.5	20.3
16	DEPRECIATION AND AMORTIZATION EXPENSES	3.7	3.6	3.7	3.9	4.5
17	INCOME TAXES - OPERATING	4.9	4.0	3.7	4.4	1.8
18	OTHER TAXES - OPERATING	18.9	18.7	19.2	19.3	20.2
19	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	13.2	13.0	13.2	12.1	13.5
20	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
21	EARNINGS AVAILABLE FOR COMMON EQUITY	8.4	7.7	7.6	7.1	7.0
22	TOTAL	100.0	100.0	100.0	100.0	100.0
				CENTS PER THOUSAND GALLONS SOLD		
23	WATER-PURCHASED, FUEL OR POWER PURCHASED FOR PUMPING AND CHEMICALS FOR TREATMENT	25.08	21.75	21.63	19.02	21.51
24	WAGES AND BENEFITS	94.35	98.02	95.22	88.87	81.77
25	OTHER OPERATION AND MAINTENANCE EXPENSES	97.01	105.03	89.64	79.08	63.76
26	DEPRECIATION AND AMORTIZATION EXPENSES	15.67	15.28	14.38	13.85	14.00
27	INCOME TAXES - OPERATING	21.03	16.94	14.50	15.39	5.53
28	OTHER TAXES - OPERATING	80.53	79.30	75.24	67.84	63.62
29	INTEREST CHARGES NET OF AFC ON BORROWED FUNDS	56.19	54.99	51.95	42.45	42.34
30	PREFERRED DIVIDENDS - NET OF ASSOCIATED AFC ON OWN FUNDS	-	-	-	-	-
31	EARNINGS AVAILABLE FOR COMMON EQUITY	35.85	32.75	29.76	24.99	22.10
32	TOTAL	425.70	424.05	392.31	351.50	314.62

SECTION V

RATE OF RETURN ON UTILITY RATE BASE

All Companies

SECTION V

Rate of Return on Utility Rate Base

This section presents the computed rates of return on utility rate base for the years 1982 through 1986 for all companies included in this publication. For combination electric and gas corporations, rates of return for each major department are computed.

Rates of return were calculated on a uniform basis from information filed in company annual reports to the Commission, using the formula described below. In this formula, the rate base is the average of the beginning and end of year net utility plant, including an allocation of net common plant where applicable, less average accumulated deferred income taxes, plus an average of materials and supplies and prepayments, plus an allowance for cash working capital. Cash working capital represents one-eighth of operation and maintenance expenses (year-end) less any purchased power, gas, or water for resale. For telephone companies, cash working capital represents a percentage of operation and maintenance expenses (year-end) based on an average of lag days per year. A detailed explanation of the method of calculating the rate of return appears below.

It should be noted that these calculations on rates of return are not intended as an evaluation of the reasonableness of the earnings of any utility under the jurisdiction of the Public Service Commission. Also, the earned rates of return, as computed herein, are not necessarily the same rates of return that would be computed by the staff in a formal proceeding, because the data are analyzed in greater detail in formal proceedings and some adjustments are usually made to booked amounts.

Table A distributes the companies according to 1986 rates of return. Thirty-five of the seventy-three rates of return (the seven combination companies are included in both electric and gas companies) increased in 1986 compared to 1985. Table B represents the aggregate average rate of return by industry for the years 1982 through 1986.

TABLE A--NUMBER OF COMPANIES EARNING INDICATED RATES OF RETURN ON UTILITY RATE BASE IN 1986

Rate of Return	Combination		Straight Gas	Telephone	Water	Total	Percent of Total
	Electric	Gas					
Less than 8.00	0	1	1	6	1	9	12.3%
8.00 to 8.99	0	0	0	5	0	5	6.8
9.00 to 9.99	1	1	4	5	0	11	15.1
10.00 to 10.99	2	2	0	5	4	13	17.8
11.00 to 11.99	1	0	1	3	1	6	8.2
12.00 to 12.99	0	2	0	7	2	11	15.1
13.00 to 13.99	1	0	0	5	2	8	11.0
14.00 to 14.99	0	1	0	2	1	4	5.5
15.00 and above	2	0	0	3	1	6	8.2
	7	7	6	41	12	73	100.0%
Increase over 1985	4	4	2	18	7	35	47.9%
Decrease from 1985	3	3	4	23	5	38	52.1
No change from 1985	0	0	0	0	0	0	–
	7	7	6	41	12	73	100.0%

TABLE B --AGGREGATE OF RATE OF RETURN ON UTILITY RATE BASE BY INDUSTRY

	1986	1985	1984	1983	1982
Combination:					
Electric	12.71	12.26	12.19	11.82	10.97
Gas	10.60	10.61	11.50	10.56	8.89
Straight Gas	11.66	10.89	11.56	11.34	10.68
Telephone	7.59	11.45	10.54	10.46	10.18
Water	11.39	11.23	11.73	11.67	11.14

The following method was used in determining the rate base and return for computing the earned rate of return:

Net Plant

(1) Plant in service is an average of beginning and end of year balances of plant accounts.

(2) Accumulated provision for depreciation and amortization is an average of beginning and end of year balances.

(3) Plant held for future use and construction work in progress are not included in net plant.

(4) Accumulated deferred income taxes is an average of beginning and end of year balances.

(5) Common utility plant and accumulated provision for depreciation for common utility plant are averaged (beginning and end of year balances) and a net common plant determined. Common plant is allocated to other utility plant in the ratio of each type utility plant to total utility plant.

(6) Net Plant equals (1) - (2) - (4) + (5).

Working Capital

(7) Materials and supplies and prepayments is an average of beginning and end of year balances. If the company has more than one utility department, materials and supplies are allocated in the ratio of gross plant in service for each department to gross total utility plant in service.

(8) Cash working capital is one-eighth of operation and maintenance expenses (less purchased power, purchased gas, and purchased water for resale, for electric, gas and water companies respectively). For telephone companies, a percentage of operation and maintenance expenses is developed based on the average number of lag days per year.

(9) Working capital equals (7) + (8).

Rate Base

(10) Rate Base equals (6) + (9).

Return

(11) Net operating income as reported in Sections I - IV of this publication is used as "return" in computing the realized rate of return on rate base. Rate of return equals (11) ÷ (10).

RATE OF RETURN ON UTILITY RATE BASE

	1986	1985	1984	1983	1982
COMBINATION COMPANIES					
ELECTRIC DEPARTMENT					
CENTRAL HUDSON G & E	19.04%	17.90%	15.07%	13.66%	11.48%
CONSOLIDATED EDISON	10.26%	10.60%	11.19%	11.01%	9.83%
LONG ISLAND LIGHTING	27.92%	22.60%	18.28%	15.61%	14.61%
NEW YORK STATE E & G	11.41%	9.87%	11.38%	12.85%	13.65%
NIAGARA MOHAWK	11.88%	11.19%	11.11%	10.62%	10.25%
ORANGE & ROCKLAND	9.62%	12.28%	12.56%	11.66%	10.68%
ROCHESTER G & E	13.71%	14.22%	12.47%	12.42%	10.44%
GAS DEPARTMENT					
CENTRAL HUDSON G & E	14.46%	14.72%	15.17%	10.46%	13.30%
CONSOLIDATED EDISON	9.27%	8.88%	10.49%	11.56%	8.50%
LONG ISLAND LIGHTING	10.54%	12.71%	9.91%	9.22%	9.22%
NEW YORK STATE E & G	12.54%	11.38%	17.38%	5.85%	8.36%
NIAGARA MOHAWK	12.37%	11.63%	12.24%	12.33%	7.90%
ORANGE & ROCKLAND	7.51%	8.72%	10.38%	7.77%	9.17%
ROCHESTER G & E	10.33%	10.25%	12.86%	9.85%	10.83%
STRAIGHT GAS COMPANIES					
BROOKLYN UNION	11.66%	11.58%	11.98%	12.07%	11.81%
COLUMBIA GAS	7.52%	7.44%	8.87%	8.81%	7.65%
CORNING NATURAL GAS	9.13%	9.53%	8.40%	10.04%	13.55%
NATIONAL FUEL GAS DIST.	9.81%	9.90%	10.87%	10.25%	9.00%
ST. LAWRENCE GAS	9.08%	12.73%	15.07%	11.64%	8.76%
SYRACUSE SUBURBAN	9.59%	9.65%	19.57%	6.33%	1.94%
WATER COMPANIES					
CITIZENS WATER-SUPPLY	13.38%	10.51%	11.13%	15.65%	16.28%
COUNTRY KNOLLS WATER	10.26%	11.05%	10.01%	9.26%	5.39%
JAMAICA WATER SUPPLY	10.60%	11.32%	11.95%	11.95%	12.83%
LONG ISLAND WATER	12.88%	12.68%	12.50%	12.89%	12.01%
NEW ROCHELLE WATER	11.01%	10.94%	13.37%	13.97%	11.62%
NEW YORK-AMERICAN	13.63%	13.56%	13.10%	16.26%	4.59%
NEW YORK WATER SERVICE	15.72%	12.22%	13.98%	14.24%	15.08%
OWEGO WATER WORKS	10.67%	13.10%	12.47%	11.31%	4.57%
SEA CLIFF WATER CO.	14.16%	15.24%	15.62%	14.18%	10.66%
SHOREWOOD WATER CORP.	3.15%	0.07%	1.57%	4.78%	2.65%
SPRING VALLEY WATER	10.62%	10.79%	10.70%	9.61%	9.74%
WANAKAH WATER CO.	12.71%	12.26%	12.02%	10.47%	10.10%

RATE OF RETURN ON UTILITY RATE BASE

TELEPHONE COMPANIES	1986	1985	1984	1983	1982
ADDISON HOME TELEPHONE	9.10%	6.95%	7.31%	8.60%	6.26%
ALLTEL NEW YORK,INC.	13.60%	12.72%	9.24%	9.28%	9.94%
AT&T COMM. OF NY	12.92%	10.04%	8.08%		
AUSABLE VALLEY TEL.	8.14%	10.87%	10.11%	8.92%	10.33%
BERKSHIRE TELEPHONE	11.13%	9.88%	7.13%	8.77%	8.82%
CASSADAGA TELEPHONE	11.93%	10.93%	12.88%	11.51%	12.51%
CHAMPLAIN TELEPHONE	10.05%	12.29%	13.55%	8.26%	13.16%
CHAUTAUQUA & ERIE	12.77%	14.18%	11.23%	11.55%	12.61%
CHAZY & WESTPORT	10.41%	10.73%	6.66%	8.47%	8.76%
CITIZENS TEL OF HAMMOND	5.90%	6.01%	4.50%	4.70%	9.04%
CLYMER TELEPHONE	7.93%	12.55%	10.82%	9.18%	10.15%
CONTINENTAL TEL.OF N.Y.	12.34%	12.28%	9.49%	8.91%	
CROWN POINT TELEPHONE	5.88%	9.53%	3.68%	2.84%	8.57%
DELHI TELEPHONE CO.	9.92%	10.57%	7.63%	6.98%	9.35%
DEPOSIT TELEPHONE	14.26%	13.30%	13.23%	12.12%	12.03%
DUNKIRK & FREDONIA	13.17%	18.90%	11.07%	7.26%	6.82%
EDWARDS TELEPHONE	9.77%	12.17%	5.87%	8.00%	6.83%
EMPIRE TELEPHONE	12.19%	7.69%	9.65%	7.21%	6.30%
FISHERS ISLAND TEL.	8.09%	35.06%	31.00%	18.53%	14.95%
GERMANTOWN TEL.	12.62%	13.98%	9.01%	7.07%	6.53%
HANCOCK TELEPHONE	10.19%	11.54%	10.49%	7.20%	10.76%
HIGHLAND TELEPHONE	13.04%	11.99%	11.41%	11.50%	11.55%
MARGARETVILLE TEL.	12.28%	9.82%	8.70%	10.48%	11.03%
MIDDLEBURGH TEL.	8.20%	11.50%	8.17%	9.76%	9.36%
NEWPORT TELEPHONE	8.80%	8.92%	6.65%	3.40%	4.40%
NEW YORK TELEPHONE	13.27%	11.45%	10.39%	10.49%	10.19%
NICHOLVILLE TELEPHONE	9.18%	9.97%	9.52%	6.97%	9.32%
OGDEN TELEPHONE	12.12%	10.35%	9.81%	11.00%	10.91%
ONEIDA COUNTY RURAL	8.01%	6.59%	5.96%	6.85%	2.78%
ONTARIO TELEPHONE	17.26%	14.44%	15.46%	14.59%	14.81%
PATTERSONVILLE TEL.	7.92%	5.67%	11.58%	7.58%	5.32%
PORT BYRON TEL.	5.64%	12.77%	3.83%	3.06%	2.33%
ROCHESTER TELEPHONE	11.35%	12.07%	11.19%	10.79%	10.77%
SENECA-GORHAM TELEPHONE	10.73%	11.22%	10.99%	9.42%	11.49%
STATE TELEPHONE CO.	29.25%	17.20%	15.68%	12.91%	8.62%
SYLVAN LAKE TELEPHONE	14.33%	13.00%	12.05%	11.97%	12.24%
TACONIC TELEPHONE	9.71%	12.54%	9.60%	10.69%	11.42%
TOWNSHIP TELEPHONE	10.97%	7.43%	9.67%	7.80%	6.44%
TRUMANSBURG HOME TEL.	15.23%	14.76%	20.66%	15.77%	11.38%
VERNON TELEPHONE	9.29%	13.28%	3.52%	8.03%	5.95%
WARWICK VALLEY TEL.	13.30%	17.51%	13.67%	8.73%	9.83%

SECTION VI.

RATE OF RETURN ON COMMON EQUITY

All Companies

SECTION VI
RATE OF RETURN ON COMMON EQUITY

This section presents the computed rates of return on common equity for all companies included in this report.

The computed rate of return is the percentage relationship of earnings available for common equity before extraordinary items to the average of the beginning and year-ending balances in proprietary capital less preferred stock.

It should be noted that these calculations by the Commission's staff on rates of return are not intended as an evaluation of the reasonableness of the earnings of any utility under the jurisdiction of the Public Service Commission. Also, the earned rates of return, as computed herein, are not necessarily the same rates of return that would be computed by the staff in a formal proceeding, because the data are analyzed in detail in formal proceedings and some adjustments are usually made to booked amounts. The rates of return on common equity for thirty-two of the sixty-six companies increased in 1986, when compared to 1985. Table A distributes the companies according to 1986 computed rates of return. Table B presents the aggregate average rate of return by industry for the years 1982 through 1986.

TABLE A -- NUMBER OF COMPANIES EARNING INDICATED RATES OF RETURN ON COMMON EQUITY IN 1986

Rate of Return	Combination Companies	Straight Gas	Telephone	Water	Total	Percent of Total
Less than 12.00	1	1	7	4	13	19.7%
12.00 to 12.99	1	1	1	1	4	6.1
13.00 to 13.99	3	4	4	3	14	21.1
14.00 to 14.99	1	0	2	0	3	4.5
15.00 to 15.99	1	0	2	2	5	7.6
16.00 to 16.99	0	0	5	1	6	9.1
17.00 up	0	0	20	1	21	31.8
	7	6	41	12	66	100.0%
Increase over 1985	2	5	17	8	32	48.5%
Decrease from 1985	5	1	24	4	34	51.5%
No change from 1985	0	0	0	0	0	0.0
	7	6	41	12	66	100.0%

TABLE B -- AGGREGATE RATE OF RETURN ON COMMON EQUITY BY INDUSTRY

	1986	1985	1984	1983	1982
Combination Companies	12.0	14.6	15.1	14.7	14.3
Straight Gas Companies	10.9	13.3	14.6	14.0	13.2
Telephone Companies	17.2	14.2	13.0	12.1	11.9
Water Companies	11.3	10.7	12.2	11.6	9.8

RATES OF RETURN ON COMMON EQUITY BEFORE EXTRAORDINARY ITEMS AND EQUITY RATIOS (IN PERCENTS)

	1986		1985		1984		1983		1982	
	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITAL-IZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITAL-IZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITAL-IZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITAL-IZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITAL-IZATION
COMBINATION COMPANIES*										
CENTRAL HUDSON	14.8%	45.7%	16.1%	40.2%	15.6%	41.3%	14.0%	41.8%	14.6%	39.6%
CONSOLIDATED EDISON	12.7%	54.3%	13.1%	54.2%	15.0%	56.0%	15.1%	53.6%	13.9%	50.9%
LONG ISLAND LIGHTING	7.5%	41.7%	16.2%	41.5%	15.2%	38.7%	14.7%	34.1%	14.6%	38.7%
NEW YORK STATE E & G	15.2%	39.5%	14.2%	39.8%	15.7%	39.0%	13.3%	41.3%	15.2%	40.0%
NIAGARA MOHAWK POWER	13.5%	41.8%	14.9%	42.4%	14.8%	41.7%	14.9%	42.4%	14.7%	41.2%
ORANGE & ROCKLAND	13.6%	48.6%	13.5%	50.8%	13.7%	50.9%	13.6%	50.3%	13.9%	47.5%
ROCHESTER G & E	13.7%	44.5%	15.6%	43.3%	16.2%	41.1%	15.1%	41.5%	13.6%	40.2%
STRAIGHT GAS COMPANIES										
BROOKLYN UNION	10.2%	49.8%	14.3%	47.7%	14.7%	50.0%	15.1%	48.9%	16.0%	44.3%
COLUMBIA GAS NY	13.2%	49.0%	8.4%	46.8%	12.1%	50.3%	13.3%	51.2%	5.8%	49.8%
CORNING NATURAL GAS	13.5%	88.0%	12.3%	85.5%	13.6%	82.3%	15.2%	74.5%	21.2%	70.4%
NATIONAL FUEL DIST	12.1%	50.2%	11.5%	55.5%	14.3%	53.7%	12.0%	48.2%	9.4%	52.1%
ST. LAWRENCE GAS	13.6%	48.6%	13.4%	57.0%	19.2%	68.2%	15.7%	64.9%	11.0%	62.1%
SYRACUSE SUBURBAN	13.7%	70.8%	12.8%	67.2%	30.5%	64.2%	6.1%	56.6%	-	55.0%
WATER COMPANIES										
CITIZENS WATER-SUPPLY	7.6%	100.0%	5.2%	100.0%	5.7%	100.0%	8.1%	100.0%	7.9%	100.0%
COUNTRY KNOLLS WATER	13.5%	34.8%	10.0%	20.8%	11.5%	19.3%	26.5%	17.2%	-	15.8%
JAMAICA WATER	13.7%	52.1%	14.1%	44.0%	14.2%	41.0%	14.1%	38.6%	14.8%	38.1%
LONG ISLAND WATER	14.9%	49.2%	13.8%	45.7%	15.1%	52.3%	15.6%	49.6%	14.7%	48.7%
NEW ROCHELLE WATER	6.7%	99.8%	6.1%	99.8%	8.2%	99.8%	9.1%	99.7%	6.5%	99.7%
NEW YORK-AMERICAN	16.9%	33.8%	14.5%	34.1%	16.7%	51.0%	25.7%	50.9%	-	58.9%
N Y WATER SERVICE	7.1%	87.1%	5.9%	86.3%	9.8%	85.6%	8.6%	84.3%	6.2%	82.6%
OWEGO WATER WORKS	5.4%	100.0%	6.9%	100.0%	7.7%	100.0%	8.0%	100.0%	0.1%	76.3%
SEA CLIFF WATER CO.	13.8%	62.0%	14.4%	57.9%	14.0%	54.4%	14.6%	100.0%	10.7%	100.0%
SHOREWOOD WATER CORP.	51.4%	52.3%	26.8%	36.0%	21.6%	30.4%	29.2%	22.8%	59.9%	6.3%
SPRING VALLEY WATER	16.0%	43.4%	16.1%	40.1%	16.2%	39.5%	12.2%	40.4%	12.2%	39.9%
WANAKAH WATER CO.	12.9%	34.8%	11.7%	40.8%	10.5%	40.6%	9.6%	41.3%	8.0%	46.9%

*COMPANIES PROVIDING ELECTRIC, GAS AND OTHER UTILITY SERVICES.

RATES OF RETURN ON COMMON EQUITY BEFORE EXTRAORDINARY ITEMS AND EQUITY RATIOS
(IN PERCENTS)

	1986		1985		1984		1983		1982	
	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITAL-IZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITAL-IZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITAL-IZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITAL-IZATION	RETURN ON COMMON EQUITY	COMMON EQUITY TO CAPITAL-IZATION
TELEPHONE COMPANIES										
ADDISON HOME TEL	13.2%	39.9%	12.0%	38.2%	11.8%	36.4%	11.8%	34.1%	11.8%	33.5%
ALLTEL NEW YORK,INC.	17.7%	45.6%	15.3%	51.1%	8.8%	48.4%	8.4%	46.4%	11.3%	45.8%
ATT COM - N.Y.	17.5%	72.2%	15.7%	61.3%	13.7%	65.1%				
AUSABLE VALLEY TEL	17.0%	23.9%	33.6%	18.2%	28.5%	15.8%	17.1%	15.1%	27.8%	13.2%
BERKSHIRE TELEPHONE	16.3%	33.8%	19.3%	30.2%	8.1%	26.2%	12.4%	24.6%	14.6%	22.4%
CASSADAGA TELEPHONE	14.3%	57.6%	14.7%	54.1%	18.6%	50.5%	18.0%	46.1%	23.3%	41.7%
CHAMPLAIN TELEPHONE	16.8%	42.1%	26.7%	41.8%	28.3%	40.5%	12.9%	37.6%	24.6%	35.3%
CHAUTAUQUA & ERIE	17.7%	59.6%	22.3%	51.7%	14.4%	52.9%	16.5%	50.5%	18.7%	44.1%
CHAZY & WESTPORT TEL	18.3%	30.3%	19.8%	27.5%	13.6%	27.9%	17.4%	25.0%	19.0%	21.7%
CITZ.TEL.OF HAMMOND	29.4%	18.9%	56.1%	9.1%	49.4%	5.3%	66.9%	1.7%	53.2%	5.6%
CLYMER TELEPHONE	11.4%	31.8%	26.1%	30.6%	23.3%	29.9%	18.0%	27.3%	21.8%	25.5%
CONTINENTAL TEL NY	17.1%	49.4%	16.4%	46.8%	12.5%	48.6%	11.4%	52.5%		
CROWN POINT TEL	4.1%	16.4%	12.5%	15.7%	-	20.3%	-	22.4%	20.4%	20.9%
DELHI TELEPHONE CO.	8.7%	41.2%	11.9%	39.3%	8.5%	36.4%	5.9%	36.1%	13.0%	34.5%
DEPOSIT TELEPHONE	16.5%	66.5%	17.6%	61.6%	17.1%	56.7%	16.1%	52.0%	13.2%	67.2%
DUNKIRK & FREDONIA	19.2%	46.4%	28.0%	43.9%	14.4%	38.3%	6.4%	35.7%	12.8%	35.6%
EDWARDS TELEPHONE	15.9%	39.5%	25.6%	35.4%	11.3%	29.3%	19.3%	26.6%	18.4%	22.8%
EMPIRE TELEPHONE	18.9%	38.1%	11.9%	42.6%	16.8%	38.9%	9.3%	34.3%	8.6%	31.7%
FISHERS ISLAND TEL	9.5%	100.0%	21.7%	100.0%	19.5%	100.0%	15.1%	100.0%	13.9%	100.0%
GERMANTOWN TELEPHONE	22.7%	36.7%	30.4%	32.5%	16.5%	25.4%	14.6%	22.1%	10.8%	19.4%
HANCOCK TELEPHONE	12.9%	39.5%	17.8%	36.5%	16.4%	32.6%	7.4%	29.8%	17.4%	30.1%
HIGHLAND TELEPHONE	19.3%	59.5%	16.8%	57.4%	13.9%	55.4%	14.2%	47.9%	15.5%	46.9%
MARGARETVILLE TEL	18.0%	42.6%	13.1%	37.6%	10.1%	34.8%	15.6%	33.7%	17.4%	46.1%
MIDDLEBURGH TEL	9.6%	38.1%	21.8%	35.7%	14.7%	30.5%	21.5%	27.3%	25.1%	23.0%
NEWPORT TELEPHONE	21.2%	30.2%	14.8%	25.7%	9.3%	22.6%	-	21.3%	1.9%	22.8%
NEW YORK TELEPHONE CO.	17.1%*	58.0%	13.8%	57.5%	12.5%	56.3%	12.1%	56.7%	11.8%	59.0%
NICHOLVILLE TEL	19.9%	29.9%	26.4%	25.6%	28.7%	20.6%	16.6%	16.1%	44.3%	13.9%
OGDEN TELEPHONE CO.	23.8%	25.8%	14.8%	22.2%	14.8%	20.3%	15.2%	18.8%	6.6%	17.3%
ONEIDA CO RURAL TEL	16.3%	28.0%	18.9%	24.3%	17.4%	20.4%	23.0%	17.0%	-	13.8%
ONTARIO TELEPHONE	13.9%	89.6%	12.5%	88.2%	15.8%	86.7%	15.8%	84.7%	14.6%	82.6%
PATTERSONVILLE TEL	14.5%	59.2%	18.8%	55.2%	13.9%	49.5%	16.1%	43.8%	12.4%	39.0%
PORT BYRON TELEPHONE	-	17.9%	54.5%	19.2%	-	9.4%	-	9.9%	-	12.3%
ROCHESTER TELEPHONE	17.6%	65.5%	16.4%	63.5%	14.7%	61.9%	13.8%	60.6%	14.1%	59.4%
SENECA-GORHAM TEL	16.6%	60.2%	14.3%	56.5%	13.2%	53.2%	5.0%	49.0%	14.3%	47.9%
STATE TELEPHONE CO.	26.3%	95.4%	19.4%	94.0%	17.8%	92.9%	15.8%	91.7%	10.5%	70.3%
SYLVAN LAKE TEL	19.9%	55.6%	18.1%	53.7%	12.9%	51.6%	14.3%	49.2%	14.3%	49.7%
TACONIC TELEPHONE	9.0%	44.2%	12.9%	42.9%	5.7%	40.2%	11.4%	39.0%	14.3%	37.1%
TOWNSHIP TELEPHONE	31.0%	30.4%	16.7%	23.7%	35.7%	20.3%	32.0%	14.7%	38.5%	10.6%
TRUMANSBURG HOME TEL	13.8%	78.6%	13.5%	76.4%	23.2%	74.1%	18.8%	69.7%	14.0%	65.4%
VERNON TELEPHONE	13.5%	25.7%	20.2%	23.8%	-	26.4%	7.0%	28.2%	6.3%	26.9%
WARWICK VALLEY TEL	15.9%	59.6%	22.9%	57.1%	18.2%	51.6%	7.5%	48.3%	10.6%	59.5%

*THE RETURN FOR NEW YORK TELEPHONE REFLECTS INTERSTATE, AS WELL AS INTRASTATE, OPERATIONS. IN ADDITION, THE RETURNS DIFFER FROM THE COMPANY'S PUBLISHED STATEMENTS BECAUSE CERTAIN TAX DEDUCTIONS RELATED TO 1984 AND 1985 WERE REFLECTED IN THE PSC REPORT IN 1986, INCREASING THE REPORTED RETURN ON COMMON EQUITY, BEFORE EXTRAORDINARY ITEMS, FROM 16.0% TO 17.1%.

SECTION VII.

PRE-TAX INTEREST COVERAGE

All Companies

SECTION VII
PRE-TAX INTEREST COVERAGE

Pre-tax interest coverage (times earned) shows the number of times a company earns the interest charges on its debt. The interest charges used in this calculation include interest on long-term debt, amortization of discount, expense and/or premium on debt, interest on notes payable and all other interest deductions.

Income before taxes is considered as being available for the payment of interest because interest is a deduction for tax purposes and unless a company has enough income to pay its interest, there would be no income taxes to be paid.

The number of times that interest is earned is an important and significant element in determining a company's bond rating and its cost of capital. Bond indentures specify a required coverage and the most generally used requirement is two times the interest to be covered. It is customary that there be a margin of safety above the indenture requirement for assurance and for flexibility to issue new debt, so the coverages of most companies are normally higher than two times the debt cost. As a general rule, the higher the interest coverage the better the company's bond rating and the lower the interest cost.

The number of times interest is earned is shown for each company for the years 1982 through 1986. These figures were computed on a consistent basis for all of the companies shown. Debt indentures usually specify how this figure is to be computed, and there are significant variations in the required computation. The figures shown should, therefore, not be regarded as being equivalent to indenture coverage.

PRE-TAX INTEREST COVERAGE
(TIMES EARNED)

	1986	1985	1984	1983	1982
COMBINATION COMPANIES					
CENTRAL HUDSON GAS & ELECTRIC CORP.	3.1	3.2	3.2	2.8	2.6
CONSOLIDATED EDISON CO. OF N.Y.,INC.	6.0	6.2	6.7	6.4	5.2
LONG ISLAND LIGHTING COMPANY	2.2	2.8	2.4	2.5	2.4
NEW YORK STATE ELECTRIC & GAS CORP.	2.6	2.4	2.5	2.4	2.7
NIAGARA MOHAWK POWER CORP.	3.1	3.1	3.1	2.9	2.9
ORANGE & ROCKLAND UTILITIES,INC.	3.9	5.3	4.5	4.2	4.0
ROCHESTER GAS & ELECTRIC CORP.	3.0	3.1	3.3	2.9	2.6
STRAIGHT GAS COMPANIES					
BROOKLYN UNION GAS CO.,THE	3.3	4.2	3.8	3.6	3.5
COLUMBIA GAS OF N.Y.,INC	2.8	2.5	3.1	3.2	1.6
CORNING NATURAL GAS CORP.	4.9	4.7	6.8	6.6	5.4
NATIONAL FUEL GAS DISTRIBUTION CORP.	2.5	2.4	2.8	2.2	1.9
ST. LAWRENCE GAS CO.,INC.	17.1	7.7	9.3	8.1	4.6
SYRACUSE SUBURBAN GAS CO.,INC.	4.3	3.3	6.0	1.4	0.9
WATER COMPANIES					
CITIZENS WATER-SUPPLY OF NEWTOWN,THE	3.9	2.7	3.2	3.7	3.3
COUNTRY KNOLLS WATER WORKS,INC.	1.5	1.2	1.9	1.9	2.9
JAMAICA WATER SUPPLY COMPANY	3.2	2.9	2.6	2.3	2.3
LONG ISLAND WATER CORP.	3.3	3.1	3.6	3.6	3.7
NEW ROCHELLE WATER CO., THE	3.8	3.4	3.8	3.8	2.7
NEW YORK-AMERICAN WATER CO.,INC.	2.9	2.6	3.3	2.4	1.0
NEW YORK WATER SERVICE CORP.	5.7	3.6	4.8	4.0	2.9
OWEGO WATER WORKS	3.6	4.5	5.2	2.7	1.0
SEA CLIFF WATER CO.	3.6	3.5	2.6	2.7	3.0
SHOREWOOD WATER CORP.	7.5	2.7	2.0	4.0	1.9
SPRING VALLEY WATER CO.,INC.	4.0	3.7	3.6	3.0	3.0
WANAKAH WATER CO.	2.0	1.9	1.8	2.0	1.7

PRE-TAX INTEREST COVERAGE
(TIMES EARNED)

TELEPHONE COMPANIES	1986	1985	1984	1983	1982
ADDISON HOME TELEPHONE CO.	4.8	3.9	4.1	3.8	3.8
ALLTEL NEW YORK,INC.	4.5	4.3	2.9	2.5	3.0
AT&T COMMUNICATIONS OF NEW YORK,INC.	8.0	7.1	5.9		
AUSABLE VALLEY TELEPHONE CO.,INC.	2.1	2.7	2.0	1.6	1.7
BERKSHIRE TELEPHONE CORP.	2.1	2.5	1.5	1.8	1.8
CASSADAGA TELEPHONE CORP.	7.1	6.5	6.8	4.8	5.4
CHAMPLAIN TELEPHONE CO.,THE	4.9	7.7	7.1	3.3	3.9
CHAUTAUQUA & ERIE TELEPHONE CORP.	4.6	5.4	3.3	3.0	2.4
CHAZY & WESTPORT TELEPHONE CORP.	2.6	3.0	2.1	2.5	2.3
CITIZENS TEL.CO.OF HAMMOND,N.Y.,INC.	4.2	4.7	1.9	2.5	4.3
CLYMER TELEPHONE CO.,INC.	3.2	4.0	3.9	3.5	4.1
CONTINENTAL TELEPHONE CO.OF N.Y.,INC.	3.9	4.2	3.5	3.3	
CROWN POINT TELEPHONE CORPORATION	1.2	1.7	0.8	0.7	1.8
DELHI TELEPHONE CO.	2.1	2.2	2.0	1.7	2.3
DEPOSIT TELEPHONE CO.,INC.	5.1	4.6	3.8	3.7	2.9
DUNKIRK & FREDONIA TELEPHONE CO.	5.2	5.8	3.7	2.7	2.8
EDWARDS TELEPHONE CO.,INC.	3.9	5.2	2.3	3.0	2.4
EMPIRE TELEPHONE CORP.	3.6	3.1	3.5	2.9	2.2
FISHERS ISLAND TELEPHONE CORP.,THE	-	81.1	-	-	-
GERMANTOWN TELEPHONE CO.,INC.	4.2	4.2	2.2	1.7	1.6
HANCOCK TELEPHONE CO.,THE	2.5	3.2	2.4	1.5	2.2
HIGHLAND TELEPHONE CO.	6.0	5.7	4.4	4.1	3.9
MARGARETVILLE TELEPHONE CO.,INC.	3.8	2.8	2.6	4.0	3.9
MIDDLEBURGH TELEPHONE CO.,THE	3.4	4.7	3.0	3.2	2.7
NEWPORT TELEPHONE CO.,INC.	3.9	2.3	1.7	0.5	1.1
NEW YORK TELEPHONE CO.	5.2	4.5	4.0	3.7	3.7
NICHOLVILLE TELEPHONE CO.,INC.	3.5	3.3	2.7	1.7	2.5
OGDEN TELEPHONE CO.	2.4	1.8	1.7	1.7	1.3
ONEIDA COUNTY RURAL TELEPHONE CO.	3.8	3.7	2.4	2.5	0.9
ONTARIO TELEPHONE CO.,INC.	21.2	16.0	16.5	15.4	10.0
PATTERSONVILLE TELEPHONE CO.	10.3	11.1	6.5	5.9	3.9
PORT BYRON TELEPHONE CO.	1.7	2.5	0.9	0.7	0.6
ROCHESTER TELEPHONE CORP.	9.4	9.8	8.5	7.5	6.0
SENECA-GORHAM TELEPHONE CORP.	7.2	5.6	4.4	2.2	3.7
STATE TELEPHONE CO.	93.3	48.1	42.5	9.6	4.6
SYLVAN LAKE TELEPHONE CO.,ONC.	4.6	3.8	2.9	3.1	3.0
TACONIC TELEPHONE CORP.	2.4	2.4	2.0	2.2	2.3
TOWNSHIP TELEPHONE COMPANY,INC.	4.5	2.4	4.2	3.0	2.4
TRUMANSBURG HOME TELEPHONE CO.	9.3	7.4	10.2	7.2	4.4
VERNON TELEPHONE CO.,INC.	1.8	1.8	0.5	1.4	1.4
WARWICK VALLEY TELEPHONE CO.	4.7	6.5	4.8	2.6	2.3

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INDEX TO COMPANIES

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